Interview with C. William Kontos

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

AMBASSADOR C. WILLIAM KONTOS

Interviewed by: Thomas Stern

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Q: Let me first of all thank you for joining us in this enterprise. It will be a valuable addition to the Oral History Program. As is customary in these interviews, we start with a synopsis of your background.

KONTOS: I was born in Chicago and went to grammar school there—a public school called Martha Ruggles. I went through the first six grades there and then my mother decided to spend a year in Greece. She was eager to have me learn Greek and become fluent in it. Greece was the family point of origin. After a year, we returned and I went through seventh and eighth grade at Ruggles. Then it was on to Calumet High School on the south side of Chicago. Calumet had students in those days from a large variety of south Chicago neighborhoods. The overflow went to a branch, Westcot, for two years and that is where I started high school. It was a smaller, more intimate atmosphere than the huge Calumet High School. At Westcot, I had the opportunity to be active in intramural sports and the school paper. It was a very congenial and friendly setting.

After two years, I went to Calumet which was considerably further away and required a time consuming commute. My two years at Calumet were blessed by an extraordinarily good faculty, many of whom were graduates of the University of Chicago. They were

partial to that institution and whenever possible, pushed their students to go that University, which I did. I graduated from Calumet in June, 1940 and enrolled that Fall in the University of Chicago. I attended for two and half years and then I entered the Army. Before starting at Chicago, I had the notion that I would like to be involved in foreign affairs, in part because one of those extraordinary teachers at Calumet was a student of modern history. In the late 1930s, the Hitler-Mussolini pact was threatening the peace in Europe; Germany and Italy were encroaching on other countries and territories in Europe and Africa.

We had in those days a great newspaper in Chicago, The Daily News, which I read with great care even as young high school boy. The Daily News had a splendid corps of foreign correspondents who were first hand observers and narrators of events in Europe. They helped nurture the idea that I should one day be involved in the government and specifically in foreign affairs. So there was a germ of ambition even in my high school days.

I had an interesting career in the Army. The first phase took place at Camp Wallace in Texas, which was an anti-aircraft personnel replacement training camp. I ended up in the intelligence part of the anti-aircraft branch. I was taught some basic aspects of surveillance, tracking, etc. But I also received considerable training in basic infantry matters—drills, crawling, firing, etc. The intelligence training was relatively primitive and very basic. Camp Wallace was situated half way between Galveston and Houston. Whenever I could, I would go to Houston which had a very good recreation area—for example, an art museum that held afternoon concerts. Houston was my refuge from the Camp Wallace routine, which I endured for six months.

By the time I graduated from Camp Wallace, the need for anti-aircraft officers had diminished sharply when I applied for Officers Candidate School. The quota for anti-aircraft candidates from Camp Wallace was one out of about 20,000 men. As it turned out, I was the first alternate to the one man (a cadre sergeant) who had been chosen for

OCS and therefore did not end up going. I was really devastated by this turn of events. For by applying for OCS I had passed up a chance to go to Army Specialist Training Program (ASTP), which was a great opportunity to broaden one's background in the Army. ASTP often included language and area training; some of my friends went into Japanese language training, some studied European languages. I was very interested in that, but having applied to OCS, even if unsuccessfully, ASTP passed me by. I was then at the lowest rung of the military hierarchy—not even part of a unit. I was a private available to assignment to any unit. The small group of us in this status were sent to Fort Meade, outside of Baltimore. Half of our group went to Iceland; the other half, including me, ended up in Europe.

So in the Fall of 1943, I spent about six weeks doing various odds and ends at Fort Meade. Then I was transferred as a replacement for some unit in Europe. None of us knew where we would actually end up, because all of this information was classified. We boarded the Queen Mary; because of the ship's speed and her capability to move in a zig-zag course she went alone without a convoy. We made it safely across the Atlantic to some unknown port in about five or six days—a horrendous journey because the ship was jammed to capacity. At noon, a loud gong boomed and we would troop from the deck to our six-tiered bunk rooms where we were each given a color designating the day's meal setting. On the next day, we rotated from bunks to sleep on the deck, which was pretty damn cold. We landed at some indeterminate foreign port in the rain and were herded together under the watch of a very disconsolate looking native. My companions urged me to speak to this fellow. I went up to him and asked where we were. He responded in a thick Scottish accent, which may have been a form of Gaelic. When I returned to my colleagues uninformed, I told them that I couldn't understand the fellow who spoke some kind of foreign language. It was quite a while before we learned that we had landed at Grennock, Scotland. In an unusually efficient manner, we were put on trains and spent the night traveling in blackout conditions through the countryside to arrive at what had once been a housing estate outside of Birmingham. It was a miserable day—cold, rainy, muddy.

The conditions were very primitive. We stayed there for a while; within a week or so, we were assigned to our permanent units. My slip said that I was going to COSSAC. No one knew what or where COSSAC was. My friends thought it was a commando unit working in combined operations. I had all of four months of infantry training; it was hardly sufficient for a commando operation, but I was resigned to go wherever the fates would take me. Three or four of us were going to the same place. We were put on a train and arrived late at night in London. We were met by two huge MPs who asked where we were going. I said: “COSSAC”. They said: “Shhh! That is Top Secret”. We were assigned to some kind of barracks and the next morning taken to COSSAC (Chief of Staff, Supreme Allied Command). This was the precursor to Eisenhower's Supreme Headquarters. COSSAC was a headquarters being put together in anticipation of Eisenhower's arrival. When that happened, the name was changed to Supreme Headquarters, Allied Expeditionary Forces (SHAEF). I was assigned to the intelligence section, which was a combined British-American unit. I spent a year in London working under a glass skylight on the top floor of the Peter Robinson Department store which was on Oxford Street adjoining Oxford Circle. We were the center of intelligence collection and analyses prior to the invasion.

It was an extraordinary outfit. It was headed by an American, General George Strong, later head of G-2. His British deputy and all of the staff were first class. The British were mostly distinguished academics from Oxford and Cambridge. Eventually, the section was split between those who were looking at how the Germans were deployed and how they were being reinforced—the order of battle—, and those who looked at various defenses; i.e underwater obstacles and beach fortifications that the Germans had built all along the French, Belgian, and Dutch coast lines. I ended up in the latter unit. My immediate supervisor was an American—a Captain. He reported to a British Major, Beatty, who was a classical scholar from Oxford. Most of us were enlisted men—privates or non-commissioned officers. Most of the Americans had been trained at Camp Richey, which was the main intelligence training center for the U.S. Thus, most of my colleagues had some intelligence training. I had none. So my first assignments were fairly menial—

being in charge of maps, doing some filing, etc. But soon I became involved in the real operations and any distinction that there may have been because of lack of prior training disappeared.

As I said, the group was extremely interesting. In fact, many of the Americans were foreign born recruited because of their language skills. There was a French count, a Russian ballet dancer, a curator of an art museum in San Francisco, an export-import man from New York. Though of not much use, I had Greek as a second language, thanks to my year in Greece. I also had some meager knowledge of French. I had studied Latin in high school and had some tutoring in ancient Greek, but no foreign languages in college. It was a great group to work with. The head of the group working on the “Order of Battle” was J. L. Austin, who was one of England's most distinguished philosophers. He was then a Lieutenant Colonel. He had an extraordinarily retentive memory; he was alleged to know how many German soldiers were in every fox hole along the coast and from unit they derived.

After a year at Peter Robinsons, we moved out to Bushey Park which was about ten miles west of London near Kingston-on-Thames. I should note that during my year in London, we were subjected to periodic blitz attacks, somewhat smaller than they had been six months prior to my arrival. Our London barracks were extremely poorly constructed; they were crumbling old British Army quarters off Regent's Park. I would walk from there to Peter Robinson and back. At night, we had a complete black-out and frequently, of course, actual air raids. In retrospect, it was an exciting and enthralling period, but while actually living through it, with all the tensions and sameness of food day after day, I don't think I had the same view. After we moved out to Bushey Park, the V-1 missiles began to come our way. We had a number of close calls. One part of the SHAEF compound was hit as was the town of Kingston-on-Thames. It was very eerie to hear those missiles approach and suddenly there would be dead silence, then when they came close enough you would hear their descent and then a great explosion nearby.

I should mention that during my days in London, I met a young lady who was very hospitable and brought me home to her Scot family. Her brother was an officer in the Black Watch Regiment. So I had close ties to a British family which was a great refuge; they permitted me to stay with them whenever I came into the city from Bushey Park. Through this young lady, I met other interesting people. So London was not then a bad place at all, even though the deadlier V-2 missiles came in rather too often for comfort.

The Red Cross did a fabulous job. It took over some of the great houses in London where it established libraries, areas for snacking coffee and doughnuts and places in which to relax. The Red Cross ladies were always very helpful and friendly.

A few weeks after the invasion of the Continent, I went to France. The shooting had ceased. We traveled in trucks through the devastated Normandy country-side to Versailles, outside of Paris, where we were housed in the King's small stables. They had been made into large barracks, with several long rows of beds—not a very comfortable setting. I tried to stay out of the stables as much as I could. I went there late at night and would leave early in the morning; the stench was just over-powering. Our offices were in some of the adjacent buildings of the Palace. We mapped the German defenses as they moved back, or in some cases, forward. My specialty was German anti-aircraft emplacements which, as the war progressed, also became locations for anti-infantry cannon fire. That was particularly true of 88 mm guns which could be readily used both against aircraft and troops. Our information came from a variety of sources: aerial photographs that were very good—which were read by our photo interpreters—, reports from agents on the ground—mostly French resistance fighters. Some of those were excellent. I remember having a great deal of respect for the reports from “Matilda” whoever she or he may have been. I would plot sightings of anti-aircraft emplacements on a map; that map was then photographed, reproduced and disseminated to the various Army group commands. It was tedious work.

I think my myopia developed there because I worked under one light bulb hung from the ceiling. I worked long hours, marking those maps.

One exciting moment occurred after the Battle of the Bulge when the decision was made that a lot of us “desk” soldiers should be mobilized and ordered to the front. I was interviewed and offered a commission to become part of a fighting unit. I accepted, but in the end it was found not to be necessary. Again I missed the commission to my chagrin, although by this time I had moved up to corporal or sergeant. I felt very aggrieved because many of my friends had gone to O.C.S. and became officers, and here I was still an enlisted man.

Paris was an interesting attraction to have nearby. Every opportunity I had, I went to the city. Paris was bleak in those days; food was short, the atmosphere was cold and grim, but it was still Paris. I could hear classical music and visit art galleries. From Versailles, just before VE Day, we moved to Frankfurt; some had earlier gone with Eisenhower to Rheims to forward headquarters; my group, in a middle echelon, stayed put.

Just a comment about SHAEF. I doubt that in any modern war there has been as intimate a relationship between two armed forces as there was in SHAEF. A British-American hierarchy was established throughout the whole headquarters, which included G-1, G-2, G-3, G-4, G-5 (a civil government unit founded in preparation for the occupation of enemy territory). Anybody who felt antipathy toward the British or who spoke with any strong bias was fired, i.e. transferred out. We did have one or two incidents during which there were some altercations. The combatants were quickly sent somewhere else. No open prejudices were tolerated. The headquarters was a very amiable place and a very successful venture. I could not praise enough the British officers at SHAEF who were a very able and distinguished group.

Our lived and worked in Hoechst am Main, a suburb of Frankfurt. It was there that we heard of the atomic bombs dropped on Hiroshima and Nagasaki and that V-J Day

occurred. I remember the impact of those events very well. After a few months we were moved to Berlin where we became part of the intelligence branch of AMGUS (American Military Government, United States). By that time, most of our responsibilities were finished. We did a lot of collating of German documents; we sorted out library materials. It was an interim job, which was not very interesting. The Military Government had begun to expand and a number of us were offered civilian positions with that unit. By that time, I had achieved the exalted rank of staff sergeant and I was offered a very attractive civilian job. Some of my friends, including a former Belgian poet, stayed on as civilians in AMGUS. I didn't want any part of it. As a matter of fact, I was sick and tired of the Army and anxious to leave it and return to the University of Chicago to get my degree. So in early 1946, I turned down all offers. I had been overseas since October 1943 and had accumulated a fair number of points toward demobilization and, therefore, within six months of my arrival in Berlin, I was sent to Bremerhaven where I boarded a small ship and returned to the U.S.

An aunt and uncle of mine had taken a house in Clearwater, Florida, and invited me down. So after my discharge at Fort Sheridan (outside of Chicago), I went South and stayed with them for a couple of weeks. Then I returned for the spring quarter at the University of Chicago. I got my bachelor's degree in 1947 and then went on to Graduate School in Political Science, where I took an MA in 1948. Those were heady days; we had an extraordinary group of students—veterans mostly who had had exciting and remarkable experiences. They were mature and very desirous to move on and to try to make up for lost time. It was the most intellectually exciting period of my life. It was a great formative period. The College faculty included such luminaries as Dan Bell, David Reisman, Milton Singer (a great South-Asia scholar)—people of extraordinary ability who were first-rate teachers. Since they were close to us in age, we came to know them very well. One of my professors, Edward Shils, had a joint appointment to Chicago and the London School of Economics at the University of London. He thought that it would be useful for me to spend a year abroad, and suggested the London School of Economics, which at the time

was considered an intellectual mecca. He thought it would be a useful experience to be exposed to another culture and society. And that is what I did.

So in the Fall of 1948, I went to London and became a graduate student at the School of Economics. I had not excluded government as a career, but by this time I thought I was heading for academia. The post-war Chicago period had greatly inclined me towards academic pursuits. I think I was considering an academic career, although undoubtedly government remained a fall back position. One of my former Chicago professors, Leonard White, a professor of public administration, had once suggested my name to a friend of his who was responsible for staffing the Marshall Plan missions overseas. My dissertation concerned “The Permanent Structure of the Conservative Party”. I had decided the Conservative Party had a much longer period of gestation than the Labor Party and therefore had a much more stable, formal Party apparatus, as distinguished from the Parliamentary party delegation. My mentors thought this an interesting subject. So I started doing research on how the Conservative party had evolved into its modern form.

During the year, we had a weekly graduate student tea, which various speakers addressed. One of our classmates was the daughter of a Mr. “Skinny” Holmgren, an official of the Marshall Plan. He had just been transferred from Greece to London where he was part of the Marshall Plan team. His daughter had asked him to come to give a talk at the tea. I met Holmgren there; we chatted and he kindly invited my wife and myself to join him for dinner. He talked to me about the extraordinary initiative that the U.S. was taking in Greece. He gave me a real sense of what was going on and what needed to be done. I mentioned that I spoke Greek. He said that the Marshall Plan Mission in Athens could really use someone like me. He wanted to know if I would be interested. I said: “Of course!”. He said he would communicate with some of his friends in the mission in Athens and suggested that during the next break at the School of Economics, I go to Athens to talk to them. And that is what I did. I went by train through France and Italy and flew from Rome to Athens. I was received very warmly.

The head of the mission was John Nuveen, a Chicago financier and founder of the family of municipal bonds funds that now bear his name. He was then on the Board of the University of Chicago. The fact that I was a graduate of that institution undoubtedly endeared me to him. The other members of the staff whom I met were also very encouraging and decided that I should be assigned to the Civil Government Division which was engaged in assisting to reorganize the Greek government. The Marshall Plan mission had only been opened for a relatively short time, although the Truman Doctrine had been enunciated while I was still at the University of Chicago. U.S. involvement in Greece and Turkey came about, partially at least, because the British had come to the conclusion after the war that they could not maintain responsibility or even a major presence in Greece. They in fact turned the eastern Mediterranean over to the United States.

Soon after British withdrawal, there had been established an American Mission for Aid to Greece (AMAG). That was later incorporated into the Marshall Plan, which was announced in 1948. When I visited Athens in late 1949, the mission was perhaps a year old. One of the sections of the mission, called the “Civil Government Division” was staffed with public administration experts. The section then had five professionals and I became the sixth member and, of course, the most junior. This staff was involved in helping the newly formed Greek government, which was just rising out of the civil war, to reform and streamline itself. This kind of assistance was brand new to Americans; we had never been called upon before to provide technical assistance, particularly in the field of public administration. One of the professionals was helping the Greeks establish a civil service commission, including employment criteria, promotion schemes, etc. His name was Ford Luikhart, who had been a member of the U.S. Civil Service Commission. (Manny DeAngelis, whom you know, was elsewhere in the mission as a member of the administrative staff). Russ Drake, John Walker, John Russell were the others in my Division. These were all people who had acquired extensive managerial and administrative experience in the U.S. government.

We also had Greek employees, some of whom were professionals. I had an assistant who helped me as translator when my Greek did not convey the full sense of my remarks. The “Civil Government” Division was fairly well established when I reported for duty. It added one more American employee later when we needed an expert on local government. That was Professor Harold Alderfer from Penn State University. Our big effort was to decentralize the government. Historically, it had been highly centralized based on the French model. The Greeks used the French system of regional prefects or governors (”Nomarchs” in Greek) appointed by Athens. We wanted to give the Nomarchs greater independence from the center. To show you the extent of that centralization, I well remember the story that, before we got involved in Greek administration, a local school could not even replace a window without permission from the Ministry of Education. Greek centralization was ridiculous. So we put great stress on decentralization and Alderfer was instrumental in developing a new code for local government.

The “Civil Government” Division helped the existing Greek government to develop a new organizational scheme. We helped to determine the number of new ministries, their functions, and activities and so on, but in looking back, while our efforts were useful in discrete areas such as the reorganization of the civil service, including a new commission and new laws and regulations and the codification of local government, there were no fundamental shifts. It was not the sort of “starting from scratch” that we brought about in Japan, partly because in Greece we did not have a military government as MacArthur did. Many of us felt that the U. S. government, given the Marshall Plan's enormous resources and the U.S. influence it generated, could have done much more to shape and mold reform. We did not take full advantage of our extraordinary influence and when we did apply pressure, the Greeks were very skillful at evading and modifying our suggestions and recommendations.

Q: I wonder whether you could expand a little on the Greek attitude towards the Civil Government Division.

KONTOS: For one thing, change is difficult. We were proposing ideas that would shake up existing practices and hierarchies—the norms with which the civil servants were familiar. What the Marshall Plan group found was a government that had emerged from a difficult war and a severe occupation—first by the Italians and then the Germans. There had been great food shortages causing many deaths. Immediately after the departure of the Germans, a major communist onslaught took place in an effort to take over the government. That was forestalled by the British through Winston Churchill's strong actions and views. By the time we replaced the British, the attempted take-over of the government had been stymied, but the communists took to the northern mountains from where they conducted a raging civil war for several years.

During the AMAG period and into the first year of the Marshall Plan that replaced it, there was a war going on which called for a significant U.S. input. We gave considerable military assistance and supplied many advisors. General Van Fleet who later became well known in Korea, was the head of the U.S. military mission. He was highly influential in shaping the tactics and the training of the Greek army for fighting the communists in the mountains.

By the time I arrived, the Greek government was just emerging victorious from the civil war. It had pretty much abated and was rapidly coming to an end in October 1949 when I joined the Mission. We were able to carry on with very modest constraints although small pockets of resistance still remained in the north. The Greek government that was elected faced deep-seated rivalries between the old Republican and the Monarchist factions. In the late 1940s, Greece was still a monarchy. The conservative pro-monarchy faction of the Greek political spectrum was in control. The principal modus operandi of the government was to control everything from the center; all decisions were made in Athens and the civil service was controlled through the ministries. One of our principal objectives was to break this central stranglehold which, as I said, was based on the French model. The resistance that developed to our concepts came essentially from people who didn't want their perks,

their control and their power and influence upset by these Americans who had ideas that didn't fit into “the Greek reality”.

We were not, as was the case later in some of our public administration programs, located in the ministries. We had an office in downtown Athens in the Tamion Building. We occupied three or four floors in this building. The Embassy was two or three blocks away. At that time, the Ambassador was in many ways eclipsed by the Marshall Plan Mission Director. After John Nuveen left, Paul Porter came from the regional office in Paris. That office was headed by Governor Averell Harriman and Porter—a very distinguished economist—was one of his right hand men. Porter brought as his deputy Leland Barrows who later joined the Foreign Service and became Ambassador to the Cameroon. When Leland succeeded Porter as Director I left the “Civil Government” Division and moved to the front office to become Barrows' special assistant.

Q: Before we move to that job, let me pursue the question of the atmosphere in Athens in those days. Was it a chaotic situation? Was the infrastructure—communications, transportation, etc.—adequate for a decentralized government?

KONTOS: The situation on the ground was extremely difficult. The wars had left the country in a shambles. There were very few first class roads; the communications system was mediocre at best; the power supply was very erratic. The Greek countryside was in terrible disarray; many villages had been bombed, particularly in the north. There was severe damage. That made a relief and reconstruction effort very urgent. It had to be mounted just to provide minimal shelter and to get food into the country. Much of that work was done by the Marshall Plan. We imported vast quantities of wheat, flour, and other food stuffs.

But in some ways, these rather chaotic conditions in effect gave further impetus to the notion of decentralization. Greece had Nomarchs who knew well their provinces and their problems. Given any kind of sustenance and resources, a Nomarch could apply remedies

effectively to the problem areas. To a certain extent, although it went against the grain, we were successful in strengthening the hands of the Nomarchs and perhaps as important as decentralization, was the grudgingly accepted principle that the Nomarch would be chosen on merit. They needed to be people of proven ability to resolve these very difficult problems; they were not to be chosen because of their political connections as had been true in the past. In the past, they were appointed by the government; they were friends of the Prime Minister or some Minister. That happened, unfortunately, even during the Marshall Plan days, but we insisted and I think successfully managed to increase greatly the number that were appointed for their abilities. The jobs were of some status, position, and importance.

Q: Why did the "Civil Government" Division push decentralization so hard?

KONTOS: It made for greater efficiencies and vastly improved the flow of resources to those who needed them. When you are confronted with a situation in which the local people can deal with their own problems with greater efficiency and understanding than a bureaucrat at a desk far away, it is obviously more efficient and effective to give the authority to the local officials who know the problems first-hand. The people in Athens rarely left their offices. I was in Greece for a little less than four years, but by my third year, I had traveled all over Greece and knew more about the conditions of Greek villages than the officials in the Ministry of Interior in Athens, who rarely, as I said, left their offices. In part they were over-burdened by paper work; in part they were inclined to give orders from their desks. Our support of decentralization was a practical approach. We strongly believed in local government and in the ability of people to order their own affairs with greater efficiency and equity, to that extent we supported decentralization on philosophical grounds. But essentially our support came for practical reasons.

Russell Drake headed our Division. He had had extensive experience as a senior member of the "Public Administration Service", a non-profit consulting firm that was based on the campus of the University of Chicago, although not formally affiliated with the University. It

was part of the “Public Administration Clearing House” that had been established under the auspices of the University.

My two years with the Civil Government Division were busy and exciting. Shortly after I arrived, we had a major postal strike in Greece. The Athens central office was filled to the ceiling with packages; it was absolutely chaotic since the workers were on strike for several weeks. The strike was economically driven; the workers were hurting. The government had been inept in dealing with its finances, partly because of the lack of resources and partly because it kept running the printing presses, causing serious inflation that, at the time, created unrest and hardships for the workers.

I should add at this point that later one of our great successes in Greece was to bring about a stabilization program, which brought inflation down to reasonable levels and made the Greek drachma a stable currency.

I was asked to provide assistance to the Post Office in its efforts to reorganize itself. I was barely out of graduate school and I was supposed to help reorganize a whole country's postal system. I established a very close relationship with the Director General of the Post Office, Mr. John Frangakis, a man from Crete. He and I were able to get some counterpart funds which went for new equipment and for rebuilding some of the post offices that had been destroyed in the war. We worked out new systems for mail distribution that made some sense. We traveled around Greece together. It was a very rewarding experience. In the end it was the Post Office that reformed itself; I contributed a few ideas, but Frangakis and his staff really did the job. We managed to buy some needed equipment and that which was already available was used more effectively. Some of Athens' post offices were enlarged; new branch offices were built in addition to those that were repaired. My experience in reorganizing the Greek Post Office was a good illustration of the extent of the influence of the U.S. government.

I was given a similar assignment with the Patent Office. I did some research on this subject and canvassed ideas from my colleagues who were familiar with new methods of sorting data. These were the days before the computer. So we devised some methods to identify and catalogue a vast amount of data. The Greeks had many books full of pasted-in pictures of patents; there was no categorization. The patents were glued in as they came to the Office, one after the other with no intelligible sequence. I developed a system for them that helped find data when needed and established a basis for comparison. This job took a few months.

I also became involved in setting up a program for self-help construction for villages. The General Secretary of the Ministry of Interior and I would jointly allocate millions of Greek drachmas from counterpart funds to villages that were willing to provide volunteer construction labor. We would provide the cement, the pipes for water mains, etc. for small infrastructure projects. The work, as I indicated, was done by volunteer construction workers. At a fraction of the costs of building a school or a bridge or a culvert through the usual contractual ways, villagers would get together with local artisans and builders and would build whatever structure the village wanted. The Marshall Plan, through the Greek government, would supply the material required. The participation in this program was the most satisfying experience of my Greek assignment. For a few million drachmas—or the equivalent of one or two million dollars—we were able to fund a vast array of construction projects in village after village in Greece. My role was to help devise a system which would identify the village and the project and would get the material to the right place in a timely way. I did a lot of follow-up work. I traveled widely looking at how the projects were developing. I still have pictures of some of the bridges, culverts, schools, clinics, recreation centers that were built under this program. It was very, very successful and a very gratifying effort.

Q: This must have been the forefather of the many projects that AID implemented years later in the Third World.

KONTOS: I know it was tried in some African countries but there the population had only a limited tradition of volunteer labor. Greece was different, in part because it had a tradition of self-help and in part because of great need; there the program was successful. The local Nomarchs were extremely helpful. By that time, partly because of U.S. pressure, the Nomarchs were independent decision-makers, first among equals vis a vis other ministry representatives in the field and were very helpful in identifying their needs. I came to know them all personally. It was a very successful and rewarding experience.

Q: The Civil Government Division of which you were a member was rather small. Did all Ministries have advice from that Division?

KONTOS: No, because it was so small. We had a Finance Division which dealt with financial policy issues and allocation of funds. It dealt with the Ministry of Finance, but it was not concerned with the management of the Ministry. Our Finance Division concentrated on policy issues.

Given the limited number of staffers in the Civil Government Division, we concentrated on local government, the civil service and the whole decentralization effort. We did get involved in some activities, such as the ones I described earlier, which were in effect supporting decentralization. They required a local decision whether by an official or a council or a Nomarch with the central ministries playing only a coordinating role, which was their appropriate function. The impact of the Civil Government Division on the Greek government in general was not large; it did not try to reorganize the whole government, but it certainly had an impact on the Greek approach to governing the whole country.

Q: Then in 1951, you became the special assistant to the Marshall Plan Mission Director. How did that happen?

KONTOS: I was able to speak and read Greek and that was the reason I got the job. The Mission Director's daily staff meeting was preceded by a quick briefing on the

contents of the daily Greek press. It was a volatile press and highly influential. We were always interested in what the press was saying, both the pro-government press and the opposition's. The press had a considerable influence on the way the Greek people viewed the Marshall Plan program. The press lacked those journalistic ethics that one considers appropriate for the modern Western press. Nevertheless, it was a very important factor in shaping public opinion.

The officer who had the job before me was Foreign Service officer on loan to the Marshall Plan. His name was Dan Brewster. He spoke Greek fluently and read it easily. He was the Director's special assistant. When Dan was transferred, I was asked by Barrows, who had by that time become Director, to assume the role. In addition to the morning press review, the job required a whole range of relationships linking the Director to his staff. I would follow-up on various assignments made by the Director. I was also given some special assignments from time to time on which I worked independently. For example, I did a comparative study on a particular investment proposal for a power supply system to ascertain if it made any sense. So the job entailed a variety of tasks. My perspective from the front office, it gave me insights into the workings of the entire large organization. I was privy to all the meetings that Barrows had with the Greek government. I went with the Director to all the meetings and, although there were always official translators present, I was able to pick up nuances and side talks that were missed in the translation. I was also the note taker. It was an extraordinarily good experience.

The central theme during my last two years in Athens was “stabilization” of the Greek economy. We recruited as head of our finance office a brilliant economist, Ed Tenenbaum, who had helped General Clay in achieving the “German miracle”—the revival of the German economy. He was one of Clay's right-hand men. We became very good friends. In Germany, the centerpiece of the economic revival was a currency reform—the actual elimination of the existing mark and its replacement by a new mark. Ed was intent on

doing the same thing in Greece. We had inflated drachmas. He wanted to introduce a new drachma with a new exchange rate.

This issue raised serious Embassy-Mission tensions. The Greek government was wary of currency reform. It thought it was too radical; it thought it wouldn't work; or if it did work, it would cause great pain and suffering. But Leland Barrows and Ed Tenenbaum and I sought to persuade the Greeks that currency reform, while radical and painful at first, would in the long run be, by far, the most beneficial policy they could pursue. The Economic Counselor, Harry Turkel, wore two hats: he was in charge of the Embassy's Economic Section and he was also economic advisor to the Marshall Plan Mission Director. That organizational scheme was later attempted in a number of posts with aid missions. Harry had two offices: one in the Embassy and one in our building. Charles Yost was the DCM at the time. Jack Peurifoy was the Ambassador, but he was not as involved in economic issues as much as Yost. Yost, Turkel and Norm Anschutz, the Political Counselor, were all opposed to currency reform; they supported a straight orthodox devaluation of the drachma. The debate raged for months.

On the Greek government side, the Minister of Finance and the Minister of Supply, both influential members of the Cabinet, were leaning towards currency reform. The strongest proponent of devaluation was the Minister of Coordination, who was very close to the Prime Minister, General Alexander Papagos, an eminent Greek soldier who tuned out to be quite a successful Prime Minister. So the Greek government was as split as the American.

A lot of papers were written. I remember well one session that Barrows, Tenenbaum, and I held with the Ministers of Supply and Coordination. There were just the five of us. Barrows led the discussion. He made the case with extraordinary lucidity and clarity. Many of the issues were technical and complicated. I thought it was a masterful presentation, complemented by Tenenbaum who would add examples and refinements. For me, it was a remarkable economics seminar. It was a superb defense of the advantages of currency

reform and it further reinforced my own predilections. In the end, we lost. The Minister of Coordination and the Embassy won the argument and the idea of currency reform was dropped. But devaluation did take place and was successful. The value of the currency dropped from 30,000 drachmas to a dollar to 3:1. It worked. There were, of course, large outcries at the beginning. I must say that there were no leaks at all. I was one of the few who knew when it would happen. Barrows and Tenenbaum and a few Embassy officers knew. A few Greek government officials knew. It would have been disastrous if anyone had really known the decision in advance. A lot of people would have defeated the intent by hedging and rushing to buy goods. There were no press stories beyond the usual speculations about financial policy. That was amazing because Greek society was very porous and the press corps active.

The devaluation policy worked. The Greek drachma stopped being a laughing stock; it became a relatively hard currency. Production was enhanced; inflation dropped. How much more successful currency reform would have been, I have no way of knowing. For the first ten years, it was clear that devaluation and concurrent policies such as keeping the printing presses working at a minimum, and others that a prudent government undertakes to keep its financial house in order, was very beneficial. In more recent times, the drachma has been re-evaluated to 30:1 or 35:1; the Geek government is fighting some of the same problems that we faced in the early 1950s—inflation, deep indebtedness, etc—although perhaps to a lesser degree. They now have the EEC to bail them out as the Marshall Plan did forty years ago.

There was another problem with the Embassy and that concerned the size of the annual assistance programs. The Embassy invariably advocated larger assistance levels. Curiously enough, during my whole career, it was always the USAID mission that proposed a smaller, more modest allocation of resources to the host government. The embassies, particularly in Athens, always wanted to increase the assistance programs; they always felt that politically they could not “live” with lower levels and I should note that the Greek programs ran into the billions. This question of resource levels was a continual

debate particularly after stabilization became successful. Ed Tenenbaum would argue that assistance should be cut in half; Charles Yost would say that it was just not possible. I saw this pattern over and over again in later assignments with the embassy and the aid mission taking opposite sides. I saw it later in Africa, in Ceylon and elsewhere. The U.S. aid levels were a major issue in Greece.

The early 1950s were extraordinary days, during which, even as a young officer, I was exposed to major policy decisions and saw an Embassy-Mission relationship evolve. In those days, the ground-rules for such were fairly murky. Even though murky, the formal relationship was that the Marshall Plan Director was nominally under the general guidance of the Ambassador, but in fact, his chain of command went back to Harriman in Paris and then Paul Hoffman and his successors in Washington and to President Truman and later Eisenhower. That gave the Marshall Plan missions a very strong and independent organizational underpinning. The Director wielded sizeable resources; wherever he went, he was a man of enormous influence and importance. In some respects, he eclipsed the Ambassador, who didn't have millions to give out. But Peurifoy and Barrows got along very well as did Porter and the Ambassador. Although there were some jealousies and rivalries, the relationship did not work too badly. At times, tensions were high between the staffs, but in general we managed to get along amicably.

The Greek government, receiving differing advice from two parts of the U.S. government, took advantage of the situation. It followed the point of view which it felt was most advantageous to it. For the Greek government, a divided U.S. representation was very useful. It should mentioned that there were also differences between the Embassy and the Mission in how tough we should be in insisting on certain reforms. I remember a famous Porter letter to the Prime Minister in which he outlined the Greek government deficiencies in a number of financial/economic activities. The letter implied that unless corrective measures were undertaken, the assistance levels might well be lowered. I don't think that Porter cleared the letter with the Ambassador, although he may have discussed it with him, probably in very general terms. When the letter, which could be seen as a slap in the

face of the Prime Minister, was leaked to the press and published, the Ambassador was less than happy. Yet, given the relative independence at the time of the Mission Director, there was nothing that the Ambassador could do; he could not hem Porter in. But on the whole the Ambassador and the Directors were sensible men and got along tolerably well.

They did work closely together. I remember a speech that Ambassador Peurifoy gave which was written by the AID Mission staff. He delivered it to the Propeller Club, a group of American businessmen in Greece. The speech castigated Greek government economic policy and used a phrase—:"leopards can not change their spots" which, when translated into Greek, sounded very harsh. He was saying that "leopards" in the government were going to continue down the wrong path. The Greek press, of course, immediately picked up the phrase and it became a slogan for the opposition.

I also witnessed creative administrative efforts, such as a Joint Administrative Service (JAS), which supported both Embassy and the aid Mission. It was one administrative support organization, headed by Tom Estes. This became a model for later similar efforts in other posts.

Q: We have discussed two arms of the U.S. government. I would like to ask you about a third one: the military. How did the Mission relate with the U.S. military?

KONTOS: Both the military and the intelligence staffs were major U.S. players in Athens. The military were extremely important during the first year of the Marshall Plan because the civil war was still ongoing. As I said, by the time I got to Greece, it had begun to peter out, but then the U.S. military was instrumental in rearming and reequipping the Greek army. The Embassy devised another management innovation: meetings of what is now called the Country Team. The Ambassador, the DCM, the Mission Director, the head of MAAG, the CIA Station Chief, and some of the Embassy's section chiefs would meet periodically. I attended only one such meeting, although I don't remember why. Those meetings were very useful for coordination among the major U.S. agencies. The CIA

played a very important role in Greece; it not only established its own sources, but helped the Greeks develop their intelligence capability. The aid Mission had no problems with either the military or the intelligence staffs.

I should note the Washington scene before we end the Greek experience. The stabilization program was fully supported by the Marshall Plan headquarters in Washington. There were two extraordinarily bright men on that headquarter's Greek desk. The State Department's Greek desk was fairly passive in those days. It didn't contribute much to the policy debate. It was the Marshall Plan's officials, Victor Sulum and his assistant Frank Mann, who were the key architects in Washington. This key policy would have foundered without their steadfast support.

Q: In 1953, you became a program budget coordination officer in the program Budget Office in Washington. What were your responsibilities? What insights did you gain about the nature of our assistance program and the manner in which the assistance agency was then organized?

KONTOS: Having spent almost four years in Greece, I decided that I should return to the US and seek permanent employment with other than a temporary agency. I still had some notions of pursuing an academic career and even resuming my pursuit of the Ph.D. I resigned my position in Athens and returned home to Chicago via a few days of consultation in Washington.

By this time, a number of my former colleagues from the Athens mission were in positions at headquarters. Two were particularly helpful: Helene Granby, who had been in the Greek Mission program office, and Manlio DeAngelis. Ms. Granby was in charge of the Program Office of the Far Eastern Bureau and offered me a job in her office. Manny, whom I knew better, was the Deputy Chief of the Program Budget Office of what had become the Foreign Operations Administration headed by Governor Harold Stassen. He also offered me a position in his office.

After weighing the pros and cons of both assignments, I opted for the Program Budget Office. Manny made a strong and persuasive argument that this was a key office, highly influential in the ultimate decisions on how the resource pie would be sliced. Also, it had very close ties with the Bureau of the Budget and senior staff of the agency. Thus, it was deeply involved in policy decisions because it was astride the budget process.

The Granby job was also an interesting one in that it would have put me inside a geographic bureau and given me an economic brief to conduct. Ms. Granby, however, as I knew from our days in Athens, had a predilection for very long hours on the job. She was known to have spent some nights sleeping on the couch in her office in the pursuit of her tasks. A workaholic par excellence. With one small child and another on the way, and with all the chores attendant on moving my family from Chicago and settling in Washington, I confess to a reluctance to get ensnared in a Granby-like schedule.

As things turned out, the endless hours I spent on the FOA budget far exceeded anything I would have encountered in the Far East program office. Our small office of six budget analysts undertook the enormous task of reorganizing and reconciling the vastly different methods of budgeting followed by the agencies that FOA had inherited as the central US aid agency. There were the European programs left from the Marshall Plan conducted by the Mutual Security Agency. Latin American programs were handled by the Institute of Inter-American affairs. In addition, a scattering of programs, mostly in the Middle East and Far East, were run by the “Point Four” agency—the Technical Cooperation Administration.

While placing these various appropriation accounts into a new FOA set-up, we had ongoing programs to fund with both dollars and local currency allocated between program and administrative categories. Each step of the funding process had to be cleared internally with the central program coordination office headed by Jack Ohly (an administrator of extraordinary brilliance) and the regional bureaus. Externally, we had to go through a tedious apportionment and re-apportionment drill with the Bureau of the Budget. Elaborate justifications had to be prepared for the BoB analysts as to why we needed this

amount of money now. This required frequent analysis of funds in the pipeline to attest that the need was urgent.

For someone whose fiscal savvy and numerate ability was not of the highest order, I found myself floundering to find my footing and to understand the intricacies of the complex task entrusted to me. My geographic area of concern was Europe, where the programs were on the wane, and Africa, with modest new beginning. Thanks to my most competent and patient supervisor, Arthur McGlaughlin, and to the coaching and advice of Mary Jane “Mike” Wichser, now Mrs. Donner, the clouds of confusion in due course lifted.

But the hours were endless. Rarely would I reach home before midnight. Every weekend was spent on the job and holidays as well. On our first Easter in Washington I spent the entire day and part of the night at the office. I recall Mike Wichser helping me until 3:00 a.m. one morning as we poured over a large spread sheet of numbers to find a missing $ 0.1 ($100,000) so as to reconcile an account. It should be noted that this occurred before the days of the computer, word processor and calculator. Our only equipment was an adding machine.

In the end the job got done well, thanks to the devoted work of a very talented staff, but the long hours did not abate much. This was indeed a key office although only on the periphery of the policy process. Jack Ohly and his staff made the basic decisions and we executed them by managing the tedious paper trail. So, it was with great joy that I acceded to an offer by Robert Biren, one of Stassen's boys from Minnesota, to join his Organization and Methods division.

Q: That was in 1955. What were the general responsibilities in the O&M Office and yours in that Office?

KONTOS: This was an extraordinary office. Both Biren and his deputy, Herb Rees, were men of great creativity and intelligence. They brought a verve and an excitement to our tasks that were in sharp contrast to the plodding decorum of the Budget Office.

The functions it conducted were split into three parts. One was in charge of the scrutiny and vetting of all organizational units that comprised the agency. Analysts were given a particular swath of offices to monitor. My job was to follow the four geographical bureaus and I had four analysts under me to do this job. We also controlled the personnel slots each bureau was assigned. This gave us considerable power as we increased or decreased a staffing pattern based on management audits. The other two parts of the office were responsible for office systems and methods and for writing and revision of manual orders that were the legal basis for the way the headquarters conducted its business.

Biren and Rees had recruited an able bunch of young men and one woman. The influence this office wielded over the way the agency operated was palpable. While there were occasional frictions and disagreements, it was a remarkably congenial and personable group of considerable competence.

There were times when members of my staff went overseas. Tom Stern went to close the missions in Holland and Denmark; Eli Bergman was sent to Libya to help in opening a mission there. He was also sent to Afghanistan on the same trip.

Q: Did you feel that O&M was an influential office in the new Foreign Operations Administration?

KONTOS: It was very influential because the agency itself needed streamlining; separate offices had to be merged. Just as in the case of disparate budget accounts, there were organizational alignments that had to be rationalized. Also the O&M leadership undertook a training program. We developed a mock mission “war game”, during which for the first

time, people could play different roles and see situations from different perspectives. This was a novel approach which I do not believe had ever been used before. It was an artificial situation, but the problems that the trainees had to solve were real. We would put new agency recruits through this training program using a fictitious country name and data; we provided them with real life problems; we gave them programs for this “mission” to work out. Herb Rees, then the deputy to Bob Biren, was in charge of this training program. It was a very useful and creative initiative. O&M, in addition to playing its normal organizational role in helping to improve the efficiency of the extent agency, also became involved in this important training program.

Q: In 1956, you were transferred to the new position of Executive Director for the Africa-Europe Bureau, which was a new entity. What were your responsibilities?

This was an extremely busy period of my career because the European Missions were being phased out and new African Missions established. It seemed to me that it was an almost mindless gesture on the part of the US government that as soon as an African country achieved independence it became the host to a new aid mission. My job was to staff those missions—to find first rate people to head them and good people to manage the new programs. It was an enormously busy time. We had to quickly put in place new missions in North Africa—Tunisia, Libya, Morocco. We established missions in Ghana, Kenya and Nigeria (even though the latter two were still under British rule and our missions there were “liaison offices”). All this required a lot of travel; I spent many weeks overseas, particularly in North Africa. During this period of travel, I spent a few days in Khartoum where a new aid mission was being organized. Little did I dream that about 20 years later I would arrive there as Ambassador.

Then there were the annual meetings of mission directors which we had to organize and set the agenda. There were new country desks in Washington to staff as new missions were established. Fortunately, there were several good people who had left the European Marshall Plan programs and were now available to run the new programs. That was a

great boon because they were on the whole a very competent group. The veterans of European assistance programs had experience and talent and could be readily deployed to develop and support new assistance programs in other parts of the world. Since the European specialists had been part of the same Bureau that was handling African programs their transition to new Africa/Europe Bureau was a simple process.

Q: When you joined the Foreign Operations Agency (FOA) it was a new organization trying to establish itself. When you became the Executive Director of the new Bureau, had the Agency pretty much finished its shake down period?

KONTOS: I think it had, although it should be said, that even though the Agency had settled down and there had been some coherence in the way the new Bureau was administered, there was great anxiety because we were in the midst of the McCarthy period. A number of our personnel files were reviewed by security and one or two of our employees became targets. Thus for an extended period we had to deal with the new emphasis on security issues raised by Governor Stassen and his staff. But I don't recall anyone in the Africa/Europe Bureau having been fired for not measuring up to the new criteria. That was the only continuing instability. By 1956, the Agency was reasonably well run.

I might just add that I found it curious that, during this period, that the State Department role was not very prominent. When I traveled to the field, I would meet with the Ambassador and his staff, but as I look back on it, in Washington there was little interchange with State on African programs. It is true, of course, that the Bureau of African Affairs in State was at the time also in its formative stages, going through the usual growing pains of becoming an independent bureau. Governor “Soapy” Williams, when he became Assistant Secretary, gave further impetus to the U.S. knee jerk reaction to establish new aid missions whenever a new African country was born. But I, although by this time a relatively senior official in the Africa/Europe Bureau, had relatively little contact with the State Department. Q: Then in 1959, you returned overseas and were assigned

to Sri Lanka (Ceylon then) as the Deputy Director of the AID Mission. How did that come about?

KONTOS: I had for some time wanted to go back overseas. I always felt that most of the joys and the challenges in our agency were overseas. So I welcomed an overseas assignment. Since I knew what vacancies would be occurring in the African Bureau, I considered filling one of them. There were two possibilities: one was Salisbury (Rhodesia) as a liaison officer with the British colonial government or, as an alternative, a similar job in Nairobi (Kenya), where the British were already phasing out. Nairobi would have been more substantive since we had already initiated several projects with the approval and cooperation of the British government. Though Nairobi itself with its salubrious climate and setting was attractive, I would have been by myself in a colony (though in the process of becoming independent) and where the British would allow only a marginal US role. Then came the opportunity to go to South Asia to become the deputy director in an already established mission with an established hierarchy and programs.

Jim Grant had been the Director of the AID Mission in Ceylon. His successor was John Roach who was the mission's Legal Advisor when I was in Athens. I knew him fairly well when he asked me to join him as his deputy. I opted to accept that offer rather than Nairobi.

I arrived in Colombo in early 1959; John Roach was already there. We had a small mission which was facing a difficult environment in which to operate. The government had moved sharply to the left and was seeking to achieve a socialist approach. It had nationalized a number of key industries and services and it was engaged in a highly dubious government-dominated economic program. It also was racist; it gave full support to one linguistic, religious and cultural group, the majority Buddhist Singhalese to the detriment of the Hindu Tamils who were a large and very important minority. There was a resurgence of latent animosity that had always existed between these two groups and that, in the past, had been suppressed by the British. In fact, the British had favored the Tamils

in part because, as a minority, were perhaps better motivated. They tended to be better educated, were better civil servants, and the British thought that them smarter.

The British approach meant that when Ceylon reached independence, the senior civil service included a high proportion of Tamils. English remained the language of education and of governmental affairs. The regime of S.W.R.D. Bandaranaike, after a fair election, had supplanted the regime of what he called the “Black Englishmen”—the United National Party, which had been the first ruling party after independence. Bandaranaike headed a party that was nativist, Buddhist, socialist, and in power when I arrived in Ceylon. For every step forward that the aid Mission took in trying to deal affirmatively with the problems of underdevelopment, the government would take two backwards. It was a very discouraging atmosphere for an aid mission to operate in.

I therefore argued that we should reduce our program. It was a situation in which we were making little, if any progress. This view got me involved in one of the major confrontations of my career. I was espousing a point of view that was unpopular both in Colombo and in Washington. In this case, which is an exception to the general rule I mentioned earlier that embassies tended to support larger aid programs, there was an Ambassador, Bernard Gufler, who agreed with me and supported my point of view.

I must say that the British had left Ceylon in remarkably good shape. They had created three of the major foreign exchange earning industries: rubber, coconut, and tea. They had taken barren hills and developed productive tea and rubber plantations and coconut groves. They left Ceylon an excellent road system, a good civil service, a quite adequate educational system, and, on the whole, an exchequer that was in reasonably good order. The Ceylonese took these good legacies and turned them into a series of economic declines, by their spectacularly inept socialist orthodoxy which skewed badly their approach to economic development. Ceylonese politics spawned an extraordinary phenomenon, i.e., the largest Trotskyist Party in the world and a number of Marxist and socialist smaller parties. Therefore, Ceylon was generally oriented in its governmental

policies in a socialist direction; they assumed that the State was omniscient and knew better how an economy should be conducted than the private sector. Bandaranaike threatened to nationalize the tea estates as soon as he took power and nationalized the rubber plantations. It was enough for the threat of nationalization to exist. The estates and plantations were primarily financed and managed by foreigners who reduced their investments in the maintenance and expansion of these natural resources since the future looked fairly bleak for private enterprise. There ensued an almost immediate decline in the production of the three major export commodities. This was accompanied by a growing anti-Tamil agitation including a declaration of Singhalese as the national language to be used by government officials exclusively. This governmental policy of reducing Tamil influence and power, of course, increased the tensions between the two Ceylonese ethnic groups.

Q: Do you recall what the aid Mission was to do about the declining economic conditions?

KONTOS: Our Mission was small. We had a few development loans, but we did not see ourselves as a factor in influencing government policy. I thought that was a mistake since we were contributing, although modestly, to the development of the country. Our assistance should have permitted us to express our views on government economic policy. I personally made some attempts with the Ministry of Finance and the Central Bank staffs to discuss the negative effects of the government's policies. Those policies were clearly detrimental to sound development. But these negative policies were not viewed as a central concern of the Mission, much to my dismay.

Our technical assistance was provided primarily to the agricultural sector. We tried to foster some small business enterprises. We had a very successful health program, including the continuation of a good malaria eradication program that WHO had initiated. We provided some useful engineering assistance. We had nothing to do with the three major export crops.

The development loans were modest and directed toward infrastructure, e.g. power and roads. I should mention that other countries had programs in Ceylon as well: British, Canadians, Japanese, Scandinavian (Norway primarily). The Colombo Plan had its headquarters in Ceylon. That program covered all of Southeast Asia, including Ceylon. There was a pretty good informal exchange among the donors. The principal avenue for coordination was the Colombo Plan, whose chairman was responsible for making sure that the donors were all in sync.

Q: Let me return to the political issue. What was our relationship with Ceylon in 1959?

KONTOS: It was cordial. They viewed us as a friendly country. They were inclined to give the Soviets, who had a large Embassy there, the benefit of the doubt. The home-grown Marxists and Socialists were not particularly friendly towards us and they did represent a fairly sizeable element within the government. Q: You mentioned your relationship with the Ambassador. How did that develop and what was the role of the Mission Director?

KONTOS: The Director saw his role as an implementor of the existing program and did not offer any initiatives of his own. He tended to be a passive leader. He and the Ambassador, while maintaining cordial relationships on the surface, had in fact some personality conflicts; they did not really get along very well. The Ambassador was a stickler for correct English and precision in the use of the language. The Director was a lawyer who felt that his English was adequate for communications to Washington. This resulted in some silly difficulties over the use of words and syntax. The Ambassador seemed to prefer my style: being brief and to the point. On a couple of occasions he commended me as a teacher does when grading a paper.

The relationship with the Embassy was good on the whole. The Economic Counselor was very cordial and helpful; the DCM was helpful, as was the Political Counselor. We had no problems with the Embassy, at least initially. Later, as it became clear to me and ultimately to the Ambassador, that our assistance was not being used in an optimal way,

tension did rise somewhat. The aid program was not effective either in quantitative or qualitative ways. The Mission Director wanted to expand the loan program and increase our involvement in agricultural development and other efforts. I thought that such a move would be counter-productive. I thought we should be in fact contracting and drafted cables to that effect. The Director modified or rejected many of these drafts, but in the Country Team meetings that I would often attend because the Director was frequently absent due to health problems, I would set forth my point of view, which would, on the whole, be supported by the Ambassador. That became a bit awkward when messages were drafted and sometimes sent, based on Country Team discussions, that the Director, upon return to his office, found incompatible with his own views. I don't want to leave the impression that we had a large policy gulf between us, but the Director was more inclined to maintain the program and perhaps even enlarge it somewhat than I was. In the end, the Director had to leave for health reasons.

I stayed on for another six months or so with the new director, Jim Baird, who had just transferred from Indonesia, which had a much larger program. The new Director was a strong proponent of a much larger program in Ceylon. He wanted a bigger, better, and shinier assistance program. He thought that our efforts had been much too modest. I had been the Acting Director for an extended period. It was clear from my early contacts with the new Director that my more conservative, modest program goals were completely contrary to his views. Hence there was a difference of views at the outset. I was shortly to be transferred to my great relief. His views prevailed within the aid mission, but the Ambassador was not happy with the proposed new directions. This gave rise to a period of hiatus during which program goals were not articulated; no specific new proposals were sent to Washington because of the local policy disagreements although it must have been clear to Washington from the messages that were sent in fact what each side had in mind. The Ceylonese government was of course pressing for higher aid levels. They wanted more assistance because we essentially fed the government apparatus. For example, one major project, which John Roach had pushed, was to support a government-run factory for

the manufacture of small agricultural tools which would be designed to meet the particular requirements of Ceylonese agriculture. He assigned a full-time American agriculture advisor to the factory. We ended up with a big government corporation having a relatively large overhead, with expensive production facilities not driven by profit requirements and, therefore, not concerned with efficiency. So we ended up supporting a white elephant —perhaps a baby white elephant—run by the government. It is not surprising that the government was delighted by our largesse.

Our technical assistance program in general was very generous. The debate on the nature and extent of our assistance program to Ceylon concerned how flexible a concept could we make of our technical assistance program. The first Mission Director, Jim Grant— a very creative bureaucrat, had worked out a plan that while maintaining the fiction of a technical assistance program in fact spilled over into a project development program. For example, under the guise of a “demonstration”, he initiated the building of a highway. By stretching the meaning of the phrase “technical assistance” he would in fact build a road which was in essence a developmental project. We brought in bull-dozers and construction supervisors and material to build a road that was far removed from Colombo. We built this road to American interstate highway specifications to serve as a model to Ceylon's road engineers. It ended up as a multi-million dollar project, but all under the heading of technical assistance. That was just one illustration of Jim's bureaucratic ingenuity. The road itself was far too expensive to be at all relevant to Ceylon's needs.

When I returned to Washington after the end of my tour, I made a strong pitch at all levels that we were really wasting our resources in Ceylon and should be cutting back, not expanding. If we wanted to have any impact, I suggested that we concentrate in a few areas such as agriculture and particularly rice cultivation. But I found no sympathy in AID-Washington for a reduced assistance program even though the Ceylon government was embarked on reducing the private sector through confiscation and other actions. No one wanted to reduce the program; there was no sympathy for my view of the situation. State showed some support, but it was not strong enough to bring about any policy change. It

was clearly seen as an AID issue. Most of the concerns in the Near East and South Asia Bureau (NESA) of AID at that time had to do with India and Pakistan; Ceylon did not loom large on the agenda.

Looking back on my Ceylon experience, the professional rewards may not have been great because our assistance efforts were obviously not making much of a dent, but personally and culturally the tour there was very congenial. The rich and fascinating ancient Buddhist and Hindu cultures from the 2d to the 12th Century were of great interest. We found the Ceylonese to be extremely warm and friendly; they were easy to know well, they were very social and out-going. We still have many friends there with whom we correspond regularly. We led a good and interesting two years in Colombo.

Q: You had an opportunity while serving in Ceylon to watch two Bandaranaikes as Prime Ministers. What were your impressions of them?

KONTOS: Mr. S.W.R.D. Bandaranaike was a scion of one the most distinguished families in Ceylon. From an old line Buddhist family, the Bandaranaikes were extremely well treated by the British. His father had been knighted by the British government. The initials stand for Simon West Ridgeway Dias. He was brought up in the Church of England; he went to Oxford and returned to Ceylon as a “proper black Englishman,” as his opposition party called people like himself. When he returned as a young man, he sensed that the UNP, the party that came to power after British withdrawal, could be unseated if one could appeal to Singhalese emotions. In fact, his party, the Sri Lanka Freedom Party, did start a blatant anti-Tamil campaign—anti-Hindu, racial. In a short period of time, that platform evoked an enormous emotional reaction that in the year before we arrived in Ceylon (1958), resulted in a major Singhalese uprising led by some local hoods. A real blood bath took place. Tamils were taken off buses and killed. It was correctly called the “Massacre of 1958.” The root spark for this mob action was Bandaranaike's pandering to Singhalese emotions. It was a terribly bloody affair. S.W.R.D. took off his coat and tie, put on native dress and sandals and went around inflaming the Singhalese population, which, until that

time, had been living peacefully side by side with their Tamil neighbors for more than a century under British rule.

Late in 1958, an election was held and Bandaranaike's Freedom Party won. They held a good Parliamentary majority. It should be noted that from the late 1950s to today Ceylon has had a functioning parliamentary system with voting counted more or less accurately. That is quite remarkable given the vagaries of political life in that country. When S.W.R.D. became Prime Minister, he began to dismantle many of the private sector institutions that the British had established and left behind. He nationalized, for example, the port of Colombo which had been a flourishing enterprise. He kicked the British out of Trincomalee, a great harbor, where they had a naval base; it became a ghost town. The Freedom Party did a lot of foolish things, including, as I mentioned earlier, threatening to nationalize the tea estates, although that was did not happen while I was there.

In September 1959, the Prime Minister was assassinated by a possibly deranged Buddhist monk who thought that Bandaranaike was not sufficiently orthodox in his religious views. No one is sure even today what the motivation was or whether the monk was fronting for a cabal that wanted S.W.R.D. dead. There was an interim government and then Mrs. Bandaranaike, his wife, won a by-election in a constituency dominated by the family. After becoming a member of Parliament, she was chosen by the Freedom Party to be head of the Party and, therefore, Prime Minister. She continued her husband's policies in perhaps an even more dogmatic and rigid fashion. She brought into the government as Minister of Finance Felix Bandaranaike, a nephew of hers. He had been educated in British schools and was a flaming socialist—perhaps even Marxist. He was also a flaming opportunist and the two Bandaranaikes managed to accelerate the decline of the Ceylonese economy.

When I left Ceylon, the country was really on the skids. Years later, when I was AID Mission Director in Pakistan, the officer who was the labor expert in the Greek Mission when I was there, Alan Strachan, became Director of the Colombo Plan. His daughter, Heather, whom we knew as a little girl, later married Tom Foley, now the Speaker of the

House. The marriage took place in Colombo and we were invited to come to the wedding. Unfortunately, we arrived in Colombo the day after the wedding because Ceylon Airways had over-booked and we were delayed for a day in Bombay. In any case, the word got around that we had arrived in Colombo and our friends all got together at a great party at the AID Mission Director's home. This was in 1968. We of course wandered around Colombo while we were there. It was depressing. There had been no new building since we had served there eight years earlier. The lack of maintenance was noticeable. We saw a city in decline, falling apart. The people were still as happy and as friendly and as ebullient as ever but very distressed by what was happening to their economy which was in a real free-fall.

Eventually, the Bandaranaikes were thrown out; the UNP came back to govern. Under the leadership of a new Prime Minister, the economy began to be freed up; the port was returned to private hands. Now Sri Lanka is flourishing again economically, although the deep-seated Tamil-Singhalese animosities have not abated. In fact, a civil war is still on-going in Sri Lanka and I attribute that tension to a legacy of the policies, words and acts of S.W.R.D. Bandaranaike. He has much to answer for.

Q: Where did the Marxists and the Trotskyites get their philosophical base and how did they use it?

KONTOS: The Trotskyites learned their catechism in Madison, Wisconsin. The head of that party had been a student at the University of Wisconsin. He apparently became involved with the resident campus Trotskyites, and returned to Ceylon after absorbing an American political science education. In my days, he was the Minister of Agriculture. He was very much the agricultural czar. So our technical assistance program was in fact supporting this Trotskyite and our projects in keeping with his philosophy. We, of course, were doing what we thought would be helpful to Ceylon, like the government factory for small agricultural tools, but in fact we were following his views which were rooted in Trotsky's philosophy. The Minister was extremely bright, well read; when he wasn't talking

politics, he was quite congenial and a good conversationalist. But his basic approach was certainly founded on Trotsky's views. He was for nationalization, although I am not sure that he would ever have gone as far as collectivization. Trotsky would probably not have devastated Russian agriculture as much as Stalin did.

I have often thought about the imposition of Russian philosophy on the Ceylonese culture. It happened that Trotskyism was congenial to them. It may be that the sense of hierarchy represented by that philosophy, which sought to stimulate a contented and productive peasantry ruled by an elite, was in harmony with Ceylonese aspirations and view of the "good life". There must have been something in the Ceylonese character that made Trotskyism acceptable because that philosophy found a fruitful ground for those views. It must be said that the more orthodox Marxist philosophy did not grow deep roots; the Ceylonese learned from their experiences and saw where a Marxist path would lead them. Even when they played around with Marxism, they did accept aid from capitalist countries, although it had to be essentially on their terms. In looking back on that period, I am amazed by how generous, if not foolhardy, we were in providing aid. We certainly were far short of rigorous: I am appalled when I think of what projects and programs we supported with American resources, even under a strong Republican administration of President Eisenhower. I think Stassen was still in charge of the assistance program in 1961 when I left.

Q: Your next assignment was as Deputy Director of the AID Mission in Nigeria. That began in 1961. How did that come about?

KONTOS: When I returned to Washington, it was at the end of the of the Eisenhower administration and the beginning of the Kennedy era. The Kennedys must have developed fairly detailed plans of what they would do once they were in charge. They had decided that the American assistance program would be managed by a new entity called "The Agency for International Development" (AID), replacing the Foreign Operations Administration. The Development Loan Fund was going to be merged into the new

institution. Many of the DLF people, like Ed Hutchinson, Art McLaughlin and John Ulinski were transferred to AID. I was here in Washington during this transition. The new Assistant Administrator for Administration who was responsible for setting up the new agency asked me to work with him. I may have come by that assignment through Bill Parks. So for six months I worked in the establishment of AID doing various management studies, etc.

In 1961, Nigeria gained its independence. So what had been the small office of an aid representative became a full grown AID Mission. The Agency sent Joel Bernstein out as Mission Director. I had known Joel from the Africa-Europe Bureau days where he had been the Program Officer. He asked me to join him as his Deputy. I accepted and when I finished my temporary assignment, we—my wife and my two children—went off to Lagos. We arrived in the summer of 1961 for a three year tour.

That assignment was an extraordinary experience because Nigeria was a newly independent country, the largest country in Africa with lots of energy and talent. It had a pretty good civil service on the whole, reflecting the British legacy. A number of Britishers were still in key civil service positions. Joel had developed an ambitious and large assistance program. The Mission was first-class, staffed with very competent people. Haven North was the Program Officer. Sam Thornburg was the Administrative Officer. The economists working for Haven were excellent. The education people were first class as were the agriculture experts. The team in Lagos was relatively small, but we had branches in the three main provincial capitals: Enugu in the Southeast, Zaria in the North and Ibadan in the West.

Joe Palmer, who had arrived in Lagos before independence, became the first U.S. Ambassador and was there for most of my tenure. The assistance program focused on agriculture, education, and to some extent on infrastructure development. It was primarily a program of technical assistance; we had some minor development loans, but they weren't that important. The program was large, with sizeable contracts awarded to Michigan State University, for example, which was brought in to work at Nsukka in

Eastern Nigeria, where the University of Nigeria was established. When I arrived in Nigeria, Nsukka was an open field. By the time I left, a thriving University had been built by the Michigan State people with U.S. aid funds. We also helped the University of Lagos as well as the University of Northern Nigeria in Zaria. So we really mounted a major educational assistance effort. One of our American staff was an eccentric Pole who helped the Nigerians revise the Nigerian primary and secondary school curricula. I should note that our efforts were supported by the first Governor-General, Nnamdi Azikiwe (”Zik”), who himself was a product of the American educational system, having graduated from Lincoln College. He became a close friend of Dr. John Hannah, then Chancellor of Michigan State and later Administrator of AID. Whenever Hannah visited Nigeria, the Governor General would put him up in his quarters. He was treated like a royal personage. We had some difficult problems dealing with Michigan State because of this personal relationship between the President of Michigan State and the Governor General. Hannah also had a close personal relationship with President Lyndon Johnson.

We had another large contract with Arthur D. Little that was very ambitious and perhaps one of our least successful endeavors. We tried through this contract to provide assistance to the small business community of Nigeria; to encourage its growth and development. We tried to improve entrepreneurial competence. Each of the three provinces had Arthur D. Little representatives trying to develop a small business ethos and competence. We had to confront an issue that to this day baffles me: how do you convey entrepreneurial skills to different cultures? In Nigeria, we tried it within a Muslim culture in the North, in a Christian and Animist culture in the East, and, a third mixture in the West. In retrospect, even the concept is mind-boggling, not to mention its implementation. the head of the Mission's section—the Industrial Development Division—responsible for this project was a great activist, Chick Terrell. He was a strong proponent of Arthur D. Little and we spent millions of dollars on this project with little to show for our efforts.

We had other University contracts. One was with the University of Maryland to develop new teaching techniques through the use of radio and TV. On the education front,

we started in a much different direction than that the British had taken. We urged and supported the American concept of land grant colleges. The institution in Eastern Nigeria that Michigan State built was based on its own experiences as a land grant college.

Most of the economic development ideas for Nigeria stemmed from the Mission, in particular from Joel Bernstein. He had a new one every day. The Nigerians were trying to staff a new government. They were trying to find all the competent people they could from a meager supply. They were riven by the divisions that ultimately ended up in a civil war (North-South, East-West). At the center, there was a Governor General, representing the British Crown, and a Prime Minister, Abubakar Tafawa Balewa. He was the head of a Cabinet government. Then there were three regional governors with considerable powers. The one in the North, who had the Muslim title of “Sardanna”, was both secular and theological, head of that region, the largest in Nigeria in both land size and population. The governors were appointed by the center, but based on their own considerable political strengths in their own regions. Only in the West, was there competition for political power which created some difficulties. The others were clearly leaders of their regions who would have been selected under any circumstances by the Prime Minister. In theory, these regional governors were autonomous, but in fact they relied heavily on the resources that the center doled out to them. When the oil began to flow in Eastern Nigeria, there was a lot of discussion about the “East having to share its oil revenues for the benefit of the other regions”. There was always a debate over how much of the revenues should be returned to the Eastern province, the usual dilemma when one part of a country produces greater resources than the others.

While I was there, the underlying concern of all our endeavors was always whether the Nigerian federation would last. The general feeling of all of us, including the Ambassador, was that there was an even chance that it would succeed. We thought there were enough rational people who would see the benefit of continuing the federation and that the

government could maintain an appropriate balance among the regions with enough autonomy given to keep the regions satisfied.

But there were always strains, in addition to the division of oil revenues that I have already mentioned and which became more exacerbated later. One was the census. Population size would determine the distribution of resources. The first census was taken and everybody found it unacceptable. No one would agree that the numbers were anywhere near right. Another one was taken which was also rejected. So the government continued to distribute resources in accordance with the last census taken by the British, which I think was in 1932. Since my days, censuses have been taken, but every time I see some numbers, which now seem to reach close to 140 million people, I have a high degree of skepticism. I don't believe that there are that many Nigerians; I would guess that the more accurate figure is 70-80 million. There is no question that Nigeria is the most populous country in Africa. When we were there, the cash crops—cocoa, bananas, coconuts—were foreign exchange earners. The Nigerians were generally food self-sufficient. When the oil bonanza came in, they blew the opportunity badly. Tribal divisions brought about a civil war, but the country remained intact, as have, incidentally, the boundaries for all African countries which were drawn in Berlin in 1885 and have remained fixed ever since. It is amazing that they are all still intact, given the arbitrary nature of their origins and the lack of any relationship to the situation on the ground, such as tribal groupings.

Q: How were Joel Bernstein's relations with the Ambassador?

KONTOS: Excellent. They saw eye-to-eye on all major issues. The Mission-Embassy relationships were very good as well. The only problem we ever had with other agencies occurred with the Peace Corps which came while I was there. Sargent Shriver, the Director of the Peace Corps, made it clear from the outset that his group would work independently. He was almost rude to the Ambassador. He made eminently clear that he wanted no relationships with the Embassy or any other existing U.S. agency. He sent an advance team that was arrogant—stupidly so—and set the tone for relationships

thereafter. But I should say that the Peace Corps directors who came to Lagos, including Bill Saltonstall (whom Shriver had persuaded to leave Exeter) were a very sensible and affable people. Saltonstall took Shriver's bureaucratic nonsense with large grains of salt and was not concerned about the alleged “taint” that any Peace Corps-Embassy relationship was supposed to engender. While I was in Lagos, there was a “postcard” incident which involved a Peace Corps volunteer. The first P.C. contingent to arrive in Nigeria was sent to the University of Ibadan for further training and briefing. While there, it appears that one of the volunteers, Margery Mitchelmore, wrote a postcard to her parents about the quaint habits of Nigerians. She described how the marketplace was strewn with trash and how the Nigerian urinated in the streets. This postcard fell out of her purse and one of the undergraduate students picked it up. The Peace Corps was almost thrown out because of the ensuing uproar. The students were up in arms, the press played it up big and the government was upset. Mitchelmore had to be rapidly spirited to DCM Jerry Greene's residence in an unmarked car. He had to keep her in his house, under wraps, until we could quietly get her out of the country. The uproar over the postcard was enormous. Americans were described as arrogant and insensitive with a feeling of superiority, but it was an isolated incident of anti-Americanism that subsided relatively quickly. In the final analysis, the Peace Corps was a considerable success.

In general, Americans were welcomed in Nigeria. We were open-handed in our assistance. We poured a lot of money into that country. We had a large program there. With the exception perhaps of our efforts in trying to develop entrepreneurs in the provinces, I think the program was well formulated. We had good people, on the whole, to run it; there were some exceptions, but fortunately they were rare. As in the case of Greece, we had a number of field offices. In each of the three capitals, we had a senior AID representative in charge. This was a useful technique. That man was not a line officer, but rather a coordinator, observer, and liaison with the local government which was headed by a prime minister who had a cabinet of ministers. Nigeria was, in fact, three countries, federated through a super-structure in Lagos. We had to work on a very

decentralized basis. Whenever our regional people came to Lagos, we would talk to them and then send them over to the Embassy. They often participated in the Ambassador's staff meetings when they gave briefings of the conditions in the country as observed at first hand. Curiously enough, we never formalized the structure and did not tie these provincial representatives more closely to the Embassy. The Embassy may have missed a bet; on the other hand, I am not sure that AID would have encouraged closer integration. We tended to take a “holier than thou” attitude, as the Peace Corps did, and did not allow our people to do any political reporting. But certainly there was plenty of oral exchange. As I said we had an excellent relationship with the Embassy. George Dolgin was the Economic Counselor; he was a fine fellow. In many ways, our country team efforts in Nigeria were a model.

After the first two years, I returned to the United States on home leave/return travel orders. But before I could return to Nigeria, I had a meeting with the AID Administrator, David Bell, who requested that I take on a new assignment as Director of Personnel. This was in 1963. I told Bell that we were in the midst of developing a large program for Nigeria, that we were all working very hard to make it a success and that I was very reluctant to leave Joel Bernstein at this time. I thought it was a very bad time for me to be transferred. Furthermore, I said that I knew nothing about personnel and that therefore if given my preferences, I would rather return to Nigeria. But Bell insisted that he wanted someone like me with field experience to head up the agency's personnel program. He asked me to consider the proposal, which I did. Several days later, I sent him a hand-written note in which I essentially took the same position, namely that I felt I was committed to return to Lagos for another tour. I thanked him for his confidence in me and expressed the hope that my decision would not jeopardize my future in the organization. I left the note with Bell's secretary and never heard another word.

I returned to Lagos believing that I might have blotted my career forever. Sometime early in 1964, I received instructions to report to the National War College in August, although that assignment would cut my tour in Lagos by one year. So we left Lagos and my family

and I went to Denver, Colorado for a vacation. While there, I received a call from Bill Hall, then the Assistant Administrator of AID for Administration. He said that he would be in Minneapolis and asked that I fly out to meet him, which I did. So I left Joan and the two sons in a wretched motel in Denver—the kids were at the scrapping age in a constant battle and she had her hands full. But I went to meet Hall who said in effect that he wanted to work out a deal with me. In exchange for a year at the National War College, he wanted me to take on the Personnel Director's position in 1965. The War College was seen as a reward for a good job in Nigeria and a reward for taking the Personnel job. I agreed. Hall then said that I would have to be approved by the White House and that required some interviews there with Ken O'Donnell and Ralph Dungan. So I went back to Denver, picked up my family and went to Washington to meet with Ralph Dungan.

I had a good meeting with Dungan. He asked me where I wanted to be ten years hence. I said that although I was in AID officer, my goal was to become an ambassador, although I recognized all the bureaucratic hurdles that a non-State Department official would have to face. Dungan wasn't at all fazed; he merely said that time would tell. Ralph approved my appointment as Director of Personnel and I went on to the War College.

In retrospect it is obvious that Bell and Hall had never really taken my first refusal to accept the Personnel position as final. I think the assignment to the War College was just part of a career development process which they had decided would lead eventually to my appointment as Director of Personnel. Wade Lathram, who was at the time the Director of Personnel, was behind the plot. He wanted to be sure that he had an agreed-upon successor so that he could leave Personnel in 1965. So for the first time in my career, I knew a year in advance what the future held.

As is the case in all executive training assignments, about half way through the period, all the participants began to discuss their onward assignments. I was one of the few, if not the only one, who could say that I already had my assignment; that made AID look like the most efficient organization in the U.S. government!

Let me talk a little about the National War College experience, which I found to be extraordinary. It was very rewarding, but might have been even more so had the atmosphere been less permissive. Unlike most military organizations, the War College seminar was loosely run. Very little was demanded of the students. You did have to fulfill certain minimum requirements, but the requirement to do some independent research was done rather haphazardly. Since I had personnel on my mind, I decided to write a paper on the lack of talent at middle management levels in most foreign government bureaucracies that I had observed. I had found that problem in a good number of the ministries I had worked with, particularly those dealing with technical and scientific issues. It occurred to me that recruitment from the outside might well be one of the ways for these organizations to improve their middle management skills. This could be done on straight salary arrangements, with the funding perhaps coming from a donor government. This scheme would have brought into these ministries, civil servants recruited from outside the country—U.S. or Europe, for example—paid by the employing government although the compensation might have to be somewhat higher than comparable positions for local staff in order to permit the European or American to live at a level more consistent with Western standards. I did some research on the subject and found that in some incipient ways this practice had already been in effect for some Norwegians, Swedes and the British, who had their own citizens scattered throughout the world. I wrote a paper on this subject, suggesting that such a program become part of the US assistance program. I proposed, that instead of sending high priced technical advisors, the donors just make money available for the direct employment of some skilled middle managers. I thought this would be particularly useful institution where the American advisor had no local counterpart because of the advanced nature of the skills required. The paper was well received and it got good marks.

Many of my colleagues worked perfunctorily on their research papers. The rigorous pursuit of subject matter was not one of the course requirements and therefore the research was spotty. But the year gave me some great opportunities. All the officers assigned to the War

College were sent there on the assumption that they would subsequently rise to higher positions in their military services. About a third of the class was civilians, mostly Foreign Service officers. There were two AID staffers-Jim Howe and myself. There were two from CIA, and someone from Commerce.

It was a splendid year and a most welcomed respite after the long tiring days I had spent in Nigeria. The change of pace was much appreciated. An added bonus was our trip overseas. We were encouraged to select a part of the world which was unfamiliar to us. I picked Latin America. The College put an Air Force tanker plane at our disposal—not too comfortable, but very convenient. We traveled to Panama, Venezuela, Peru, Chile, Argentina, and Brazil. We spent most of our time in the capitals of these countries. We stopped for three or four days in each country. We saw the Presidents, the Prime Ministers and other senior officials; we were briefed by the American country team members. It was an impressive operation.

In Brazil, Lincoln Gordon was the Ambassador, Stuart Van Dyke was the AID Director, Sam Lewis was one of the Ambassador's assistants and Dick Walters was the military attach#. That was a first class mission. That trip afforded me my first opportunity to get a feel for Latin America. We wrote a collective paper which was really quite good. It discussed the politics and economics of the countries visited, the role of the military in each, the relationships with the US, the prognosis for the future, etc. Then one or two of us made a presentation to the whole class on behalf of our group.

Every War College Commandant at his opening speech to a new class invariably requests each one in the audience to look to the person on his right and then to the one on to his left. The Commandant then makes the comment that each student may one day be in a position where he will depend on his neighbor for a vital service. In my case, it did happen; that was when I was put in charge of the Jordan Task Force. The general whom the Air Force assigned as a liaison with State was in fact the officer who sat on my right at the Commandant's address. By the time we met again, he had become a Lieutenant General.

He and I coordinated plans for the deployment of American troops from Germany to bases near the Middle East to prevent the movement of Syrian armor into Jordan. The Syrians were seeking to assist the Palestinians who were then trying to overthrow King Hussein. So that was one War College encounter that paid off. My friendships with two former ambassadors, Chris Van Hollen and Talcott Seelye go back to War College days.

Q: In any case, that was the last time you were able to get back home by 6 o'clock because in 1965 you became Director of Personnel of the Agency for International Development. We already know how you became so blessed. Tell us a little about the job.

KONTOS: You are so right about getting home by 6 p.m. The War College was a great experience because I had a chance to see my wife and sons in the evenings and on weekends. Also the military were interested in nourishing both mind and body. So in addition to the intellectual challenges, we participated in intramural sports—softball, tennis. Our great rivals were the Industrial College of the Armed Services teams who shared the same campus. We had a little World Series in softball each year. The War College has an active alumni association, so that I am periodically invited to meetings and get a chance to keep up to date.

One of the major lessons I learned during the year was to be more tolerant and understanding of the “military mind”. There are a lot of very able, sensitive, cultured people in our services. There are, of course, some duds and some limited officers, but as a group they earned my respect for their dedication and hard work. There are a lot of myths in the civilian world about our uniformed brethren.

Q: As you have previously mentioned, in 1965, you became Director of Personnel of the Agency for International Development. In what shape did you find that Office when you took it over?

KONTOS: By this time, the Office had been headed by a string of relatively short termers. On the whole, these were people of some competence, but who hadn't stayed

long enough to leave their marks. The personnel process had been disproportionately influenced by the regional bureaus which at the time, within the AID structure, were more like independent fiefdoms. It was a great challenge to the Personnel Director to try to reclaim the personnel function from the Regional Offices. With the full blessing of David Bell, then AID Administrator, and Bill Hall, my immediate boss, a State Department official whom Bell had recruited to head AID's administrative efforts, I started to try to bring back the personnel function into the Office of Personnel.

First of all, I brought in some new talent. I employed a new chief of training because I felt that area needed considerable improvement. His name was Warren Ziegler. He had been in charge of the Peace Corps in the Eastern region of Nigeria. He became a superb training director. I hired a new head of recruitment, a function which had plagued the Agency for many years because it had been done on a catch-as-catch-can basis. The Vietnam war was heating up which increased the demands for AID personnel there as well as in the whole of Asia. In general, one of my objectives was to increase the number of young officers in the Agency. In fact, as I reflect on my stewardship of Personnel, one of the programs that I am proudest of was in junior officer recruitment, which brought young people from university and colleges campuses to the Agency. We recruited about fifty of that caliber each year under this program called JOT (Junior Officer Training).

I also established a planning office which was headed by Jim Silverman, a brilliant and somewhat quirky official, with lots of new ideas, many of them sound. He was very creative and helpful shaping the future direction of the Office of Personnel. I also emphasized the audio-visual aspects of training and recruited a new man to spearhead this effort. He developed tapes, recordings, etc. for the use of our training classrooms.

The struggle with the regional bureaus was one of the highlights of my tenure. I set up periodic meetings with each of the regional assistant administrators and their executive officers.

We also established a special office for recruiting executives to fill senior positions in AID. We began a program which would permit us to consider how we could meet the career needs of our personnel while at the same time meeting the agency's needs. We tried to make some “advanced placements”, i.e. we “slotted” personnel six to twelve months before they would actually be available for reassignment. My days in Personnel were exciting; they required long hours. On the whole, I found the experience quite satisfactory, although I did not stay as long as I thought desirable. By the end of the second year, just as many of these new projects were beginning to show some promise, I was asked by Bell and Hall to become the AID Mission Director in Pakistan which at the time was one of our largest programs.

Q: Before we move to that stage of your career, let me ask you a couple of questions about Personnel. Many have said that one of the genesis of AID's personnel problems was that it has always been viewed as a “temporary” agency—one that is supposed to fade away at any moment. Did you find that view to be an impediment?

KONTOS: It was not a critical problem. Indeed I did not find it an impediment at all in our recruitment efforts, even when we were talking “careers” as we did with the young officers that we brought in. The notion of “temporary agency” did have a psychological effect because we were well aware that the Agency existed from year to year at the sufferance of the Congress. But in fact the “temporary” aspect of the agency's legal existence was not really a great problem.

Q: One of the serious complicating factors in managing personnel in an agency such as AID is the need for a great variety of personnel. In addition to the central core of managers, administrators and planners, that agency needed a large number of specialists. How did you meet that problem?

KONTOS: Recruitment had be very selective and careful. As this phenomenon became more accentuated in later years, AID would increasingly use contractors. For example,

when I was in Nigeria we had a series of University contractors, many of which consisted of 20-25 people each. So in part the problem of specialists was ameliorated by the use of contract personnel. For employees who would become members of the Agency, we tried to be very careful that they not only had technical skills, but also were sufficiently flexible, tolerant, and resilient to live in foreign and sometimes strange environments. But by the time I became Director of Personnel, the Agency already had a cadre of technical people who were careerists in their field of specialization. The appointment of each one of these specialists required at least the approval of the head of the functional office for whom the individual would work. We managed to work out a relationship with these functional bureaus that worked quite well. That functional approval was used for lawyers and economists as well people in agriculture, public health, education, etc. The head of the Planning and Program Coordination Office (PPC) was Gus Ranis who was very active in helping us to recruit economists and ultimately to place them in appropriate vacancies. It was a collegial activity, but I think it is fair to say that during my tenure in Personnel an increased number of decisions on personnel assignments was made in the Personnel Office than ever before.

Q: Let me ask you about relationships with other government agencies? First, do you have any recollections about State Department and its involvement in the AID personnel process?

KONTOS: Yes. We had good relationships with State's personnel people. Ambassador Joe Palmer, with whom I had worked previously in Nigeria, was then the Director General. I served on one of his boards. I was able to recruit some Foreign Service officers for service in AID. I felt then, and I still do, that such interchanges between agencies, particularly State, AID and USIA, was a goal to be sought and beneficial to all concerned.

There was no pressure to bring our personnel operation under the jurisdiction of State nor was there much discussion of a unified Foreign Service Act. We did talk a little about the possibility of some day having a unified personnel system in which the AID Foreign

Service would be managed the same way as State's Foreign Service. That occurred in part many years after my service as Director of Personnel.

The Peace Corps was no problem. On the contrary, many of our recruits were former Peace Corps volunteers. One of them was a young woman who was recruited under the Junior Officer Training Program and assigned to Pakistan about the same time as I went as Mission Director. She is now the AID Mission Director in Bangladesh; she has had a very good career in AID after being a Peace Corps volunteer.

While we are discussing relationships with other agencies, I should mention that the White House would send us candidates from time to time for possible jobs in AID. That was always a little bit ticklish because they usually came with the support of their political party. In many cases, I had to fend off these candidates because many of them were mediocre. I would usually interview them myself and then I would also make sure that some senior agency officials would see them. I don't recall any case when our negative judgment was over-ruled by the White House, but these cases always presented a problem to the bureaucracy.We also had a fair amount of pressure from Congressional sources. From time to time, we would receive calls about certain constituents who were looking for employment or about constituents who didn't feel that they had received appropriate assignments. I think all of these matters were disposed of in reasonably amicable fashion. My boss, Bill Hall, was very assiduous in this regard. He didn't want any Congressman or any member of his or her staff offended; we would lean over backwards to accommodate Congressional requests; I think we managed to satisfy all inquiries without compromising on the caliber of personnel that we were interested in maintaining.

Q: In 1967, you were assigned to Pakistan as Mission Director. That was a large mission. What did you find?

KONTOS: I found a mission that was regrouping after the second Indo-Pakistani war. Three years earlier, the Pakistanis had their noses bloodied by the Indians. The war period

obviously affected the work of the Mission, but by the time I arrived, its effects had pretty will dissipated and the Mission was functioning normally again. The majority of the Mission itself was in Karachi, although the government under the leadership of Ayub Khan had decided to move the capital of Pakistan north to Islamabad. AID had a small office in Lahore in the Punjab, which is closer to Islamabad. Before my arrival, the decision had been made to move the Karachi staff to Lahore as a half-way house to Islamabad. So we established temporary quarters in Lahore pending the renovation of an appropriate building in Islamabad. So for a year, we worked out of Lahore, with a small liaison office in Islamabad where the Embassy had moved. During this first year, I spent a lot of time on an airplane shuttling back and forth between Lahore and Islamabad. In those days, East Pakistan was still a part of greater Pakistan, separated by India, requiring considerable plane travel to that area. I did a lot of traveling that first year and a lot even in the second.

The year we spent in Lahore was very advantageous. Lahore had been the traditional capital of Islamic India, when it was still part of the British empire. The Pakistan establishment lived in Lahore. So while we were there, we had excellent entre into the elite of Pakistan society. When we left Karachi, we left a small office there, giving us a continuing access to the financial and commercial sector of Pakistan society. Our new offices in Islamabad were very close to the Chancery; that helped us to become more closely associated with the Embassy and being in the capital, with the Pakistan government. So we developed and maintained relationships with all the important segments of Pakistan society.

The Ambassador was Benjamin Oehlert, Jr. who had been the CEO of Minute Maid, a subsidiary of the Coca-Cola company and a friend of President Johnson's. He had also been a lawyer. He had no understanding of foreign affairs, but had the wit to recognize his deficiency and basically allowed his staff fairly free reign. He was very good at ceremonial occasions; he traveled around the country. He saw his role primarily as chairman of the board with the operations being conducted by his staff. His DCM was Dave Schneider,

a career officer, who was very good with considerable experience and knowledge of the area.

This was, however, a situation in which the Ambassador's wife played a disproportionate role in the way the embassy was organized. The wife of the economic counselor—a very ambitious woman—became very close to Mrs. Oehlert. To put it bluntly, that woman wanted her husband to have a higher status in the embassy. She told many stories to Mrs. Oehlert, which contributed to an unusual and unprecedented change in staffing. The DCM was reassigned to Washington with the economic counselor being appointed as DCM. These shifts had no effect on the AID Mission, but I know the story well because I was consulted by all parties. I told the Ambassador that he was making a serious mistake, to no avail. The Consul General in Dacca was also removed on some frivolous decision by the Ambassador. These actions created some havoc among the career people and were the only legacy left by the Oehlerts.

In fact, since none of this foolishness affected our operations, I was pleased to have an Ambassador who gave us a free hand. In light of the size of our assistance programs, my access to the President and his senior Cabinet officers was excellent. Most of the Pakistanis who worked on the Planning Commission, the Ministry of Finance, and some of the other ministries were very good and our relationships were first class. Many of them are still playing important roles in the Pakistani government today. Needless to say, all of them spoke excellent English. Many had been trained in Pakistan in English schools; some were trained in England and some in the United States (a number had graduated from Yale, Princeton, Harvard and Berkeley). The older officials had been members of the Indian Civil Service, which was a very distinguished group indeed. Pakistani officials were a very capable group—articulate, knowledgeable, and well versed in the bureaucratic quarters which required us to be on our toes at all times.

Q: What were the principal objectives of the assistance program in Pakistan in this period?

KONTOS: One of the principal ones was to increase the food supply. During this period, the so-called “green revolution” became the major innovation in South Asia. The dwarf varieties of wheat and rice were being introduced on a considerable scale into Pakistani agriculture. They had a great success. These new varieties of wheat and rice seeds were a major breakthrough in agriculture production. The two centers where the experimental work was done were Mexico City and Los Banos in the Philippines. To foster the spread of these new grain crops throughout Pakistan, we needed appropriate transport, fertilizer and other necessary inputs. The AID Mission played an important role in minimizing the government's control over fertilizer trade. We fought valiantly, and with some success, with the government to free fertilizer from import duties, to develop a loan program for Pakistani fertilizer plants, and to improve the distribution flow by eliminating governmental controls and middle-men. The farmers accepted the new seeds but with the usual concern about how they would grow in a Pakistani environment. In general, the demonstration projects which clearly indicated the strength and virility of the new seeds in Pakistan's climatic conditions were sufficient to convince the farmers to use them. We brought these new seeds at very reasonable costs, so that in fact the farmers obtained them at subsidized costs. The government and the Mission worked very closely to support the “green revolution”, including procurement of the seeds, water allocations (the Punjab was heavily irrigated), and distribution of fertilizer. In promoting what was an agricultural development project, we were very active at the same time in fostering a freer market and an open economy. That was another major objective of our program.

We of course had other projects as well to achieve that goal. For example, we helped set up a stock exchange in Karachi. We tried to sponsor some new banking regulations which were more sensible than the existing ones. We were also interested in the growth of Pakistani industry, which began to flourish while I was there.

Our public health program was largely focused on family planning. It was a major aspect of our mission. In education, we had some modest projects, but it was not as important as

it was in Nigeria, where it was a central theme of our program. We had a modest project in public administration. But our emphasis was really in the creation of a free market. We had advisors to various financial institutions, such as the stock exchange. In addition to our own economists, there was a group of economists from Harvard, which at one time had been headed by Dave Bell. They were working with the Pakistani Planning Commission and were influential on such matters as a new investment code and the optimum use of outside assistance. The AID Mission, along with its Pakistani counterparts and other groups like Harvard, was deeply involved in the planning and execution of an economic development program for the whole country. It was a heady experience.

Pakistan had a history of central control of its economy. The hand of the government was found in many areas; the private sector flourished in certain niche areas, light manufacturing and pharmaceuticals, equipment for hospitals, and sports equipment. Wherever the heavy hand of government could be loosened, there was a private sector response that was really heartening.

We also had a major import program. For example, the government of Pakistan was modernizing its rail system and we provided loans which permitted the procurement of GM locomotives. We played an important role in the design, construction and equipping of a large hydro-electric power system. So there were a lot of activities in which we were involved. The aid level ranged between $250 to $275 million and the staff consisted of 162 U.S. direct hire and a sizeable number of contract personnel.

Q: Were there any efforts made to have our assistance meet certain political goals?

KONTOS: The U.S. of course wanted to achieve amicable relations between India and Pakistan and we tried to maintain a reasonably balanced military assistance program to both countries. But, as I recall, our relationships with India became much more strained and as we continued our considerably military assistance program to Pakistan, the Indians

shifted to procurement of Soviet military hardware. Then the Pakistanis tended to look to us to maintain a balance of forces.

Q: Can an assistance program influence such political matters as an India-Pakistan relationship?

KONTOS: Yes, in a variety of ways. We kept in close touch with our colleagues in New Delhi. There were frequent visits back and forth. We encouraged discussions between Indian and Pakistani officials that were of mutual interest to both sides. The kind of military assistance that the U.S. provided was instrumental in maintaining a military balance and stability between the two countries. It was a delicate problem and we had to move with great caution. We never, unfortunately, reached the stage when we could have joint U.S.-India-Pakistan projects.

Q: Tell us a little about the internal politics of Pakistan at this time and the impact they may have had on the nature of our assistance programs or what impact our programs may have had on Pakistani politics.

KONTOS: One of the major issues of the day was the maintenance of the unity of the country. There were signs even then of growing disenchantment in that part of Pakistan now known as Bangladesh. We therefore took great care to make sure that assistance efforts were proportionately distributed between East and West Pakistan. I made frequent visits to East Pakistan—Dacca and other parts. There were other tribal areas which were restive and we tried to make sure that our assistance reinforced those elements that were in favor of a unified Pakistan. We tried to make sure that the new country of Pakistan, formed out of a partition of India, would succeed as one country.

Pakistan was an important country to our global policies. The British had fought for Afghanistan's independence to prevent further encroachment of the Russian bear into Southeast Asia and access to the warm waters of the Indian Ocean. We were not about to let that change. It is not difficult to judge that the size of our assistance program was

in large measure dictated by our political objectives. The Pakistani needs were obvious. The size of the previous year's program played an important role; it would have been difficult to deviate one way or another from that. Indeed, when aid levels were below the previous year's levels, many a government saw that as a sign of American displeasure or lack of concern or interest for its well being. A number of factors went into setting levels of assistance for Pakistan: the previous years' levels, the fact that it was a country of 75-80 million people, located in a strategic place, and a country that had used its assistance very usefully. In addition, I think we had very persuasive arguments to support the levels of assistance that we requested. I must admit that looking back on it, I can not say that the country allocation was made in any coherent or rational or logical fashion. It was more a hit or miss happenstance. I refer to the whole assistance levels determination process. The setting of levels is a very arcane and esoteric business.

Q: Did you have a Peace Corps program in Pakistan?

KONTOS: We did not, although we tried to start one from time to time. But the Peace Corps was viewed in some quarters as the advance guard of American intelligence and was suspect. So the Pakistanis were really never interested. We did have a number of private volunteer agencies—e.g the Asia Foundation—represented in Pakistan which, although small, were very effective.

That tour was one of my great experiences overseas. I look back on it with great affection and even some nostalgia. I left before I think I should have. I was there only two years; I think I should have been allowed another two years. There were a variety reasons for my reassignment. For one, the deputy administrator of the NESA Bureau wanted my job. Secondly, I had not established the best of relationships with the head of the Bureau who had been my predecessor in Pakistan. Everything that I did which deviated from what he had done previously was seen as “not well thought through” or ill-advised. So I had the classic problem of my predecessor being my boss which created a certain amount of tension. The ostensible reason for my return was to establish a new program evaluation

system for AID. This was a management innovation strongly backed by John Hannah, then the AID Administrator, and he was very interested in getting it started. Until then AID did not have a formal evaluation process. Hannah and others felt that this was a great deficiency and wanted it put in place in a hurry.

Q: How did Hannah perceive the evaluation process?

KONTOS: I was the first director of this new evaluation office. But Joel Bernstein, my ex-boss from Nigeria, had already made an effort to get such a system underway. In a reorganization of the Agency, Joel had been made the chief of a new Technical Assistance Bureau and had recommended me to Dr. Hannah as his successor in his old job. By the time I arrived in Washington, the new Office and the process were just in their infancy. The objective of the process was to learn from our extensive assistance experience around the world (We had programs in Asia, Latin America, the Middle East, Africa. We had had experiences in Europe). But nowhere was there a clearinghouse which could be the Agency's memory from which lessons could be learned and mistakes avoided. Another objective was to find projects that were not meeting their objectives so that they could be terminated before more resources were wasted. When you begin with an organization that has no capacity to review its on-going activities or to learn from its past experiences, there was a formidable argument for an evaluation process.

Q: Was there an assumption that lessons learned in one country might be applicable to projects in an other?

KONTOS: Absolutely. That view was prevalent. For example, we frequently had people in an agriculture project run into problems that were quite similar to those encountered by our technical people in another country. The remedies that might have been developed in the second country certainly could have been applicable to the first. This was true certainly at the micro-level, i.e. the project level, when problems might have arisen with the indigenous bureaucracy or the local farmer, but I think it may well be true for larger

issues. While in the evaluation job, we undertook surveys of key issues such as land reform—its successes and failures. We explored the circumstances where it worked well and where it had failed; we looked at the long term economic advantages of land reform. So we garnered experiences that were relevant from one country to another and which, if heeded, could have obviated a lot of differences.

Q: Does your view suggest that the cultural barriers to economic development that many people perceive may not be as insurmountable as they believe?

KONTOS: The cultural barriers do exist, but when you undertake activities that require innovations, new ideas, new approaches in an environment of traditionalism, our experiences have shown that, given palpable and clear incentives, people do respond despite their cultural inheritances. It is usually the same incentive: cash. It is remarkable the way farmers in a variety of cultures respond to prices. Given a fair price for their products, they will increase their production many fold. If, as many governments have done, they are paid low and inadequate prices, production falls. There is a clear record of that phenomenon in all kinds of farming situations.

It is true that any economic development program runs into cultural barriers of one sort or another. In Pakistan, for example, we encountered the firm popular belief that government had all the answers. Tight government control was therefore viewed as beneficial in the long run, which I consider a false premise. Also, since we operated in an Islamic society, the role of women had to be considered carefully. In many ways Islamic tendencies created inhibitions for the use of women in a variety of fields. Pakistan had a high degree of illiteracy; even today it approximates 75 or 80%. That makes economic development difficult; people can not read simple instructions and follow them. We also had regional tensions—Punjabis, Sindhis, Pathans, Baluchis—creating internal problems. We faced difficult relationships between the Muslims who had come from India and those who had lived in the area that became Pakistan for many generations.

I never encountered in any of my assignments cultural barriers that could not be overcome. Of course, I worked, with the exception of Greece and Lebanon, essentially in countries that had been former British colonies: Ceylon, Nigeria, Pakistan, and the Sudan. In each case, English was the second language so that discourse with the government and the local elites was easy. These countries had a legacy of relatively decent civil services, of reasonably good road systems, of law and order that was more or less effective; these countries were born with some fairly positive influences even though they all possessed different cultures and histories.

To go back to the evaluation process, I should describe how we established the procedure. We first set some bench marks for evaluation purposes. We had to begin the process of being able, in a fairly direct and fairly workable way, to assess the successes and failures of ongoing projects. Once that was done, then conclusions could be reached on the reasons for success. We had to establish a formula and that took most of a year to devise. We developed a matrix which enabled us to evaluate various assumptions that spawned and maintained the project. Sometimes we found them wanting; the project may have been floundering because the original assumptions has been faulty. We had the assistance of a very talented contractor called “Practical Concept Inc”; we used them as our stalking horse. The matrix for program evaluation that we developed is still AID's basic tool today for project evaluation. We tested the matrix in a number of field trips and conferences attended by the contractor and myself and some of my staff. We met each week with representatives of the regional bureaus and other interested parties. Out of the year's effort, we were able to develop a working tool which was ultimately accepted and became a permanent part of the AID program evaluation process.

Q: Do you think that once the evaluation process was well in being it had an impact on the development of new projects? Were mission directors sufficiently aware of the new evaluation process to take advantage of its findings?

KONTOS: I think they were. One of the immediate by-products was to help the missions to develop objectives that were much more realistic and achievable. We tried to build into the matrix a method to identify inputs necessary for a project's success and to weight the quantitative outputs. The more we focused on that, the more people became sensitive to the necessity of realistic project planning that had well defined, achievable goals. Planners focused much more on goals that were quantifiable. Project development became more realistic and sharper because of the evaluation process.

The transfer of “lessons learned” from one mission to another was going to be the function of a clearinghouse—a center for project documentation that we had established to accompany the program evaluation process. We planned to place these evaluations in a library from which they could be retrieved and disseminated throughout the agency. That part of the program went much more slowly than I hoped. However, it is still alive today and is a central feature of AID. I happened to be in Rosslyn last year and saw the new impressive facility that the agency has established which stemmed from the same idea that was spawned twenty years ago; namely a depository for program and project evaluations available for dissemination throughout the agency. Essentially, what AID uses now is what we developed in that first year, including the matrix.

There was a great deal of resistance to the notion of a program evaluation process from the bureaucracy. In part, that came from the fact that it was a new endeavor and it was not understood. It infringed on bureaucratic fiefdoms—on the baronies of the bureaus. I reported, nominally at least, directly to the Administrator, Dr. Hannah, and that was seen as a threat. The missions were resentful because they saw the process as just more paperwork. It took a long time before we persuaded them that the process could be useful to them but, in the end, they recognized its utility and it is now an accepted practice. But it was a long uphill process. One of the techniques that I used to overcome bureaucratic resistance was that weekly meeting with the bureaus that I mentioned earlier. I asked each bureau to identify a senior official as the “program evaluation” officer. He would attend

these meetings in that capacity. One or two of the bureaus who took the initiative seriously assigned competent officers full-time to this function; others worked on it only part time. The weekly session was very important in establishing alliances with people who would then keep their bureaus informed and would become proponents of our efforts inside the regional bureaus. These were the key elements in Washington because they were the links to the field and were the first recipients of the raw information which had to be reviewed by their evaluation officers.

Some of the evaluations were used by other agencies. We established close relationships with the U.N. and the World Bank. One of my staff consulted with the UNDP and the World Bank in their attempts to set up an evaluation program. In some ways, we pioneered this effort among aid donor agencies. These international agencies benefitted from our experiences.

I should note that never during my time were these evaluations ever used by Congress or any other part of the U.S. government as a justification to terminate a project or program. Even the agency's auditors did not use them to discharge their responsibilities. Of course, these were days before Inspector Generals had been conceived. It did have some effect on the programming process and technical assistance projects underwent a tougher scrutiny.

Q: By the time you completed your assignment as chief of the Program Evaluation process, were you able to draw any general conclusions about the U.S. foreign assistance efforts?

KONTOS: On the whole, I drew negative conclusions. There was a lot of misdirected energy. There was an unabashed sort of self-confidence on the part of the architects of many of the aid projects and programs. They felt they knew how to develop projects that were germane and relevant to the needs of the host country. In fact, the results of many activities were shown to be illusory or lacking realism. There were a number of failures

stemming often—frequently with projects in Africa—from an assumption that a particular project would have a local counterpart who would work side-by-side with Americans. The counterparts would learn on the job through their association with the Americans, learning the techniques and the management methods required to make the project a success. The premise further assumed that at the end of a finite period—be it two, four, or six years—the Americans would phase out and the counterpart would assume responsibility for the project. We ran into this fundamental misperception over and over again. In fact, for many projects, no counterparts were available or there may have been one or two when a dozen were required or, if one or two were trained, their government would shift them around leaving the project in the hands of neophytes at best or no one at worst. The plans that assumed local government counterparts frequently failed because they were not available. The project would be initiated, a building would be found for the project, equipment brought in, only to find eventually that no one in the host government could administer the project or use the equipment. It was a question of reality; many of the American project sponsors did not have enough.

There were also errors in concept because there were American advisors who thought that a new American innovation could be grafted on to the local bureaucratic structure or on to a foreign economy. The concept that the assistance projects could become self-sustaining and would grow was in many instances just plain wrong.

Q: That is a very interesting point. Are you suggesting that in general it is much more difficult to transfer technical know-how than we thought?

KONTOS: Absolutely. In retrospect, I would say that our assistance program was based on certain hypotheses and assumptions that were fallacious. Despite the efforts of project and program evaluators to judge our successes and failures and to disseminate these findings to the practitioners as widely as possible, we continue to operate even today without having absorbed the lessons of the past, which for the most part have been negative. We have had a lot of failures in the technical assistance area. In the case of

infrastructure development, we have had a better record. We have built roads although they may not have been maintained as well as we might have liked; we have built dams, hydroelectric power stations, we build irrigation canals. In some cases, those have been well done. The “white elephants” that we hear about are usually in countries which, not necessarily with U.S. money but with international or private bank funds, have established airlines or uneconomic industries that are capital intensive and had no chance of success from the outset. Particularly in Africa, when countries became independent, they all felt that unless they had a steel mill or an airline, they would not be perceived as a sovereign nation. Fortunately, the U.S. did not become involved in those ill-advised efforts. Our infrastructure loans on the whole went to reasonably successful projects. It is in the technical assistance area that we have fallen down.

Technical assistance is an exceedingly complicated business and the more I think about it, the more I find that our past approaches were based on fallacious premises. The idea of sending American technicians with American equipment to establish American-style laboratories or schools or research facilities has not been successful for a number of reasons. In the first place, the appropriate level of local technical skills required to man those installations was lacking and could not be developed in the short run; secondly, the whole array of maintenance, spare parts, and supply, which was assumed to be forever available was frequently absent—for “the lack of a nail the battle was lost” syndrome. The notorious lack of understanding about the importance of maintenance that one encounters in the Third World was the death knell of a lot of projects. Furthermore, we made compacts with American trained foreigners who could have managed these projects well in an American environment. In the absence of spare parts or a maintenance culture, which I mentioned earlier, they could not carry on. Sometimes the problems faced were even larger: lack of transport, roads, and other facilities, all of which are essential to project success, although not necessarily part of the project, were available to them in the U.S. but not at home. The project therefore lacked sustenance from the local environment.

Having said all that, I must add that I am not entirely pessimistic about these countries acquiring and using modern technology well, but it will not happen through our efforts to export western technology to them through the technical assistance process. The Third World will progress first of all by developing free markets and a private sector that can, by itself, sustain new initiatives and that will be able to garner the resources necessary to build and manage an agricultural research station or a modern education system or other laboratory research capacities. This will happen in a natural accretion to the openness of society and a flourishing private sector. We have, in a way, reinforced the role of government by helping bureaucratic establishments use technical assistance as further enhancement of their power, which in the end has proven to be an artificial support of an existing local situation. I think that the development process that will occur, as it did with the Far East countries we call “tigers”, will be the result of a flourishing private sector. Also, to a certain extent, the process will be assisted by a government and a bureaucracy that have a sense of concern for the welfare of its people, i.e. a democratic process. I have been struck by my overseas experience with technical assistance how frequently the Americans seemed much more concerned with the welfare of the population than the bureaucrats sitting in their offices in the capital city. It was frequently the Americans who were out in the field trying to understand what the farmers really wanted and what they needed; it was also too frequent that these Americans were unable to persuade or pry the bureaucrats from behind their desks to see the real world. There was almost a sense of arrogance or overweening superiority when these functionaries had to deal with their own people. The Americans had a certain compassion, a certain sense of the needs of the general population whereas the bureaucratic cadre in the capital were indifferent. That may sound like a grand generalization, but I certainly reached it from my own experience.

Q: Do you know where we are today in our technical assistance concepts? Has AID pretty much abandoned technical assistance?

KONTOS: I don't really know. I do know that the trend that AID started in my days of using contractors has certainly increased. The reasons for this switch from direct hire to contractors is very complicated. One of the initial motivations to move in that direction was that the Bureau of the Budget imposed a very tight employment ceiling on the agency. To use the contract route was one way to avoid the ceiling; that was certainly one of the original reasons for moving to an increasing use of contractual personnel. We also had recruitment problems, but contracting out the tasks was not much help. Universities, by and large, did not use their own faculty for these contracts; they went out into the same markets to recruit that the assistance agencies were using, unless there happened to be a faculty member the University wanted to get rid of for a period of time. Essentially, what would happen is that the University contractor would enter the same recruitment market as did the agency. In addition, we were subject to pressures from land grant colleges, which had an association headquarters in Washington, and was a powerful lobby. Dr. Hannah came from one of the stellar land grant colleges: Michigan State University. Furthermore, the agency came to the conclusion that the direct employment of technical personnel was not a good idea and that the contractual route was a far preferred managerial technique. This meant that the permanent staff consisted largely of program planners, managers, and administrative people—the core of the agency. The employment of technical personnel was left largely to contract.

Q: Let me return to the program evaluation process. By the time you left it in 1972, did you feel that you were beginning to make an impact? KONTOS: I don't think that our findings were yet making an impact. I think there was finally a grudging realization that we couldn't use all the resources that had been given us without establishing some bench-mark to judge success and failure or without having some kind of post-project evaluation. That much people came to accept. The large struggle was to develop a simple, manageable, and yet revealing instrument that would allow managers to move with some degree of insight. But in my time, program evaluation did little to shape projects, except, as I mentioned earlier, to make them a little more realistic in their design.

I should add that in the middle of my tenure as Director for Program Evaluation, I was asked by the Department of State to take on an emergency assignment. The Nigerian war was just coming to an end. State had decided that in order to deal with the special problems resulting from the post civil war confusion, it would establish a new office for Nigerian affairs, which would encompass the political, economic, consular, relief, and assistance functions, all under one director. This was unprecedented because never had all the Washington responsibilities for these activities been put under the direction of one official. They asked Dr. Hannah and Rudd Poats, who was the Deputy Administrator at the time, for my services. With a certain reluctance, they agreed to let me go to work for David Newsom, who was the Assistant Secretary of State for African Affairs. The assignment was to be temporary until the post civil war phase in Nigeria had ended and the situation in the country had stabilized. The assumption was that it would be a one-two year assignment, at most.

I was given the rank of Deputy Assistant Secretary. My principal deputy was a Foreign Service officer; the other deputy was an AID officer. The Office of Nigerian Affairs was staffed by eight or ten people, two or three of whom worked on relief matters. It was an interesting experience. I had served in Nigeria and had maintained some currency on the issues. I visited the country on a couple of occasions while directing this Office. Bill Trueheart was the Ambassador and Mike Adler was the AID Mission director. Joe Palmer, who was then Director General, but had been Ambassador to Nigeria, served as an advisor to Newsom. It was a most successful effort. Nigeria had become a major American domestic political issue between those who supported the rebels and the those who supported the regime in power during the civil war. The Department was at odds with the NSC and the White House because we wanted to support the government in Lagos without being antagonistic to the rebels in Biafra. We felt that the legitimate government was in Lagos; we were accredited to that government. But there were a lot of people, including, I was told, Mrs. Nixon who were extremely partial to the Biafra cause.

Mrs. Nixon became involved because she had become concerned about human rights violations against the Biafrans.

The Biafrans were for the most part Ibos, who were probably one of the most sophisticated tribe on the continent of Africa. They were the most widely traveled and therefore had the widest range of contacts in the West. With the help of their friends in Switzerland, France and Germany, the Ibos mounted a very successful public relations campaign, which showed starving Biafrans and other examples of the evil intentions of the government in Lagos. There were poignant posters in London, Paris, and other major European capitals showing a starving Biafra baby. The Nigerian government was accused of impeding the delivery of food stuffs, handled by private relief and governmental agencies, to Biafra. To an extent this was true since Lagos felt that the relief supplies included war materiel, which would be used against them. Lagos also considered food as a military weapon and engendered great internal debate whether it should be permitted to be delivered at all. France almost openly was supporting Biafra as was the Catholic Church whose constituency was primarily in Biafra. That made Nigeria an extremely volatile political situation and created great controversy here in the United States. I remember that the NSC staff man handling Nigeria was Roger Morris, a young FSO on detail to Henry Kissinger's staff. Roger was probably in his late twenties or early thirties. On at least one occasion, Palmer, a very senior and experienced diplomat, was harshly berated by Morris because we favored Lagos too much and were not sufficiently pro-Biafra.

The basic reason for the establishment of the unique Office for Nigerian Affairs was this bitter political struggle that was raging in the United States. We started essentially as a program of humanitarian relief. There was great anxiety about the possibility of a major famine in Biafra. That might have happened if the Nigerian government had decided to be punitive toward the rebels, but in fact, Lagos was extremely helpful and assisted in expediting the delivery of foodstuffs. The alarm about massive starvation was premature; it did not happen, although we were constantly under pressure to reassure all concerned that there was no famine. A number of non-governmental agencies sent out a continual

stream of observers, who would return with dire stories of whole villages and regions outside the distribution system, blaming the U.S. government for failing to deliver supplies to these areas. That pressure was a very important factor in the beginning. Later on, we spent much time seeking to calm the Nigerians who were always suspicious of what they felt was a less than fully supportive position because the State Department clearly was at odds with the NSC on this issue.

Nigeria was sui generis; it was not part of the Cold War. We wanted to make sure that Nigeria, the largest and most populous country in Africa, would stay united. Had the Biafrans succeeded in the civil war, it might have become a model for other African minorities or irredentists who aspired to be self-governing. There was concern that if Nigeria broke up, it might be the beginning of a series of such events throughout Africa. Therefore, we wanted Nigeria to remain united. Biafra was fighting for independence from the rule of the Yorubas and the Muslims of the North. The NSC, on the other hand, was motivated by sentimental and humanitarian reasons. Both the President and Mrs. Nixon were somehow sympathetic to the Biafra cause. I don't think it was question of realpolitik in this case as much as the President's sentimental inclinations.

The Biafrans, had they achieved independence, would have controlled most of Nigeria's oil reserves. That suggests that there might have been some ulterior motive behind Biafra's supporters like the French besides the religious one. The issue was debated in the United Nations, but that was not a major factor during my tenure as Office Director, which lasted about eighteen months. The debate was mostly about the adequacy of the relief efforts.

Q: After your eighteen months tour as Director of Nigerian Affairs, what happened next?

KONTOS: I returned to AID to my old job as Director of the Program Evaluation Office. I had a good deputy, so that by the time I returned, the process had evolved well. I, of course, had kept in contact with him while working on Nigerian affairs and was therefore

not out of touch. The deputy and the staff had done a superb job and the first year's cycle of evaluations had been completed quite adequately. I stayed on as Director until 1972.

I had visited Paris in the Fall of 1971 for a conference. While there, I met with Stuart Van Dyke who was the U.S. Representative to the Development Assistance Committee (DAC) at the time. While I was sitting in his office, he received a call from someone in Washington wondering where I might be reached. So Stuart handed me the phone; the person at the other end was a senior AID official wanting to know if I would be agreeable to having the State Department put my name on a list for a senior UN position. In response to my question, the job was the Deputy Commissioner for the United Nations Relief Works Administration (UNRWA) for Palestinian refugees, which was headquartered in Beirut. I told the caller that I would be back in Washington in two days, and I would be glad to discuss the matter at that time. But Washington had to know right away; so I said that it was OK to put my name on the list, but that I needed a lot more information before I could really agree.

That was the first time I had heard about UNRWA. I found out later that the UNRWA Liaison officer in New York, a Dutch national, had worked with Bill Hall at Lake Success when the UN was being founded under Trygve Lie—they had first worked in London then at Lake Success on setting up the UN. Jan Van Wyck, the UNRWA official, knew Bill Hall and had called him when the decision had been reached that an American should fill the Deputy position. A Britisher held the Commissioner General's job. Before this time, it had been the American that held the top job and the Briton the deputy position. Hall was then the State Department's Director General. UNRWA described the qualifications it was looking for and Bill Hall mentioned my name. Van Wyck checked it out with Beirut and got the green light to interview me. Bill then had one of his deputies call me in Paris, so that by the time the call was made, UNRWA already knew something about me. Soon after I returned to Washington, I was sent to New York to meet the new UNRWA Commissioner General, Sir John Rennie, who had been the deputy. He was a rather quiet Scotsman with long experience in the Colonial Office. He had been Governor of Mauritius and then

appointed to be the deputy in UNRWA. We hit it off quite well; I heard later that other Americans were interviewed, but apparently Rennie thought my background and my State Department support put me at the head of the list. I agreed to take the job; I would be seconded to UNRWA from the Foreign Service. The American who preceded me, but as Commissioner General, had been an Under Secretary at the U.N. and was therefore part of the international civil service corps. Henry Labouisse had been the head of UNRWA before he became U.S. Ambassador to Greece. I was the first career Foreign Service officer to join the UNRWA leadership. I thought that if it were interesting, I would continue to work for UNRWA; if it did not work out, I could always return to the Foreign Service.

Joan and I arrived in Beirut early in 1972. We ran into a new experience. UNRWA's functions were to provide education, health, and some food to Palestinians who had been made refugees as result of the establishment of Israel; they lived in camps. The role of the UN and this agency, which was established in 1948, was to keep these people going pending some kind of political resolution of their status as refugees. It is important to stress that UNRWA did not run the camps; it provided services, principally education and public health, and to a diminishing degree, food for those in need. As Palestinians became more self-sufficient, even as camp residents, supply of food became less and less important and, in the end, was provided only for the very poor and pregnant women or mothers with new babies.

The camps were run by the host government where the camps were located. Camps were in Lebanon, Syria, Jordan, on the West Bank, and in Gaza. The host governments, including the Israeli military authorities for the West Bank and Gaza, were responsible for security in the camps. The camps had their own internal arrangements, their own leaders and their own ways of administrating day-to-day camp activities. Our public health efforts included not only the running of clinics, but also the management of sewer and water facilities—sanitation services of all sorts. UNRWA paid the nurses, the doctors, etc. UNRWA also ran the schools, whose teachers were employees of UNRWA. Harry Labouisse, when Commissioner General, started a few vocational education training

schools and later some secondary schools that went through the junior high school level were established. As the Palestinian population grew—rapidly, I might add—the number of teachers had to be increased, adding to the problems of an already over-burdened agency.

The staff which manned UNRWA headquarters was based in Beirut and consisted of a small number of international civil servants. In addition to the forty or fifty international staff at the headquarters and in the local offices, we had well over ten to fifteen thousand Palestinians working for us—teachers, doctors, nurses, sanitation workers, administrators, etc. In each country, we had an international director. We had a Swede in Damascus, a Briton in Amman, a New Zealander in Jerusalem and an American in Gaza. They had international deputies, but the rest of their staffs were all Palestinians. The small headquarters staff in Beirut was comprised of the Commissioner General, a deputy and a small secretariat; then there was an official in charge of food distribution (a Brit), one in charge of education (an Afghan, who had been the deputy minister for education in Kabul) and one in charge of public health (a Pakistani). The General Counsel was British as was the officer in charge of public relations and fund raising. There were also heads of Transport, Refugee Registration, a Controller and a person in charge of Administration. These people had been recruited by the Agency without reference to their nationalities. There were no “quotas” although the Commissioner General did try to maintain some balance between the West and the Third World. A key man in headquarters was the Controller who put together the budget and handled finances. He was the linchpin in the chain; he was an American and very, very good.

The Agency's existence depended on voluntary contributions from UN member countries. There were no financial quotas for UNRWA from member countries. The U.S., the British, other European countries and later the EEC were major contributors with the U.S. providing the lion's share. The Arabs were at first very reluctant to give anything to UNRWA because they considered the Palestinians refugees to have been created by the establishment of Israel and hence not their responsibility. They held the West

accountable for the situation and therefore expected the U.S. and Europe to provide the necessary resources. So it was always a difficult uphill battle to keep the operation solvent. The Controller had to manage the very meager resources to insure that every cent was well spent. As we approached each budget year, we projected a deficit, but somehow the Agency was kept alive by last minute stipends. Sir John Rennie, the Commissioner General, who has become a close friend, and I worked very amiably. He stayed on after my departure until he retired four years later. He was extremely active in getting new sources of money. He finally convinced the Arabs that they had to contribute because UNRWA gave the Palestinians the most important, and perhaps their sole, opportunity for education in the Arabic language; furthermore, Palestinians' well being depended on UNRWA's ability to deliver services. This argument, which I thought was persuasive, finally had its intended effect on Saudi Arabia, Kuwait, and some of the other Arab countries that provided some resources, although rather modest ones. The big breakthrough was with the EEC which, as an independent entity, began to provide several million dollars worth of foodstuffs as starters—mostly wheat and flour, rice and butter. Later on, the EEC provide cash. All was the result of John's efforts with the EEC. The U.S. maintained its level of support, increasing it modestly over the years. But in general, it was a very difficult problem to get enough money to keep the Agency alive.

Q: In 1948, when UNRWA was established, what was the termination target for this "temporary" agency?

KONTOS: First of all, the resettlement and/or compensation for all Palestinian refugees was its objective. It was hoped that some would return to Israel and that the others would be compensated for their loss of land and houses. Some political solution had to be found to accommodate these refugees. Pending that day, they would be under UNRWA support system. The refugees came from all parts of what had been called Palestine—under a British mandate. The UN declared a partition, which was rejected by the Arabs. A war ensued and Israel was successful in keeping two-thirds of Palestine. During this time, there was a great exodus of refugees into neighboring counties—Lebanon, Syria and

Jordan. The people living on the West Bank of the Jordan River became residents of Jordan. Those in Gaza were under Egyptian control until 1967 when, as a consequence of another war, Israel took control of East Jerusalem, the West Bank and Gaza. That brought the Palestinians on the West Bank and in Gaza under the occupation of Israeli military forces.

Q: Was there any effort made to settle the refugees in permanent habitats?

KONTOS: Yes, there were some attempts, but the Palestinians felt that anything short of complete return to the pre-1947 situation was unacceptable. You have to understand that in some cases, the Palestinians had left their homes with the keys still in the door locks because they felt that they would return in 48 hours. So they refused any notion of permanent settlement; that was an anathema. They wanted to return to their homes and to their ancestral lands. Therefore, any proposals for resettlement were rejected both by the refugees and by Arab countries.

Q: What did a refugee camp look like?

KONTOS: It varied. Some were near cities, such as Amman. As Amman grew, it absorbed these camps. Some camps consisted of cement block houses, crowded, with narrow streets and open sewers—fetid, damp for the most part. The houses were heated by charcoal and kerosene. Some had fences around them, some did not. Most of them just became part of the landscape—essentially ghettos. UNRWA had registered each refugee and had elaborate records on all the refugees thereby keeping the resident population from using UNRWA services. There was also a certain amount of internal policing by the refugees which also minimized any potential fraud or abuse of UNRWA services. The schools, for example, were already crowded and the refugees had no interest in letting other children use those facilities. There was probably very little incentive for non-refugees to attend those schools in any case because they were not that great. They were certainly no better than the local schools, although the way UNRWA recruited and trained teachers

was in many cases better than the system used by the local school administration. All teachers and public health workers were Palestinians; they were highly motivated and for the most part well educated. In the annual examination given to all students at certain grade levels in that part of the Arab world, the kids from the UNRWA schools received higher scores than their local counterparts. The UNRWA teachers were better and that showed up in these standardized tests. The teachers followed the local curricula and agenda as dictated by the host Ministry of Education.

On the public health side, the refugees' services may have been marginally better than those received by the local population. The services were rendered by clinics which to a certain extent included extra programs on such matters as nutrition and other preventive public health efforts. That may have made the UNRWA clinics somewhat better than local facilities. But you have to remember that the Palestinians did not have any hospitals and if they were seriously ill, had to go to a local government hospital.

Q: Let me ask you about political issues. Did UNRWA have any difficulties with local governments?

KONTOS: Yes, indeed. We had lots of problems. Each government presented us with different problems. Lebanon, for example, insisted that its military intelligence service be the representative of the government in the camps. These guys tended to be rough and treated the Palestinians badly. They were arrogant and difficult and in some cases even abusive. Before I got to Beirut, the Commissioner General was able to negotiate the departure of these intelligence soldiers from the camps, which permitted the control of the camps to be exercised by the Palestinians themselves with some kind of oversight by UNRWA.

Each government had sovereign jurisdiction over the camps. Any violation of local law or criminal activity came under the jurisdiction of the host government. So we had to deal with three levels of government: the local jurisdiction, the host government at a national level

and the UN. And then there were informal Palestinian organizations who got involved. The UN relationship was very loose. The Commissioner General was nominally an appointee of the Secretary General, but he received no funds from the New York Secretariat. During the latter part of my tenure, however, we were able to negotiate a deal with the UN Secretariat for it to pick up the salaries of the international civil servants which relieved UNRWA from a significant expenditure. Up to that time, the voluntary contributions had paid for those salaries. After that successful negotiation, it was the UN budget that bore the salaries of the international civil servants.

Q: Tell us something of the problems that you faced, like, I assume the demand for a continuing increasing level of services.

KONTOS: That was certainly one of the continuing demands. It was especially true for schools which were always crowded, most of them running double shifts because there weren't enough facilities to accommodate all the children and, in light of our budget constraints, we couldn't build more schools. So we had to run two shifts—morning and afternoon. The Palestinian children were taught in UNRWA schools through junior high. Then they either entered the local senior high school or went to work in the local economy, although this was difficult because as in the case of Lebanon, work permits were required and were hard for Palestinians to obtain.

Q: During your tour, was there any effort to reevaluate the basic tenet that the refugees would eventually be resettled?

KONTOS: When UNRWA was established its charter contained a call for an ultimate solution to the Palestinian problem, either through resettlement or compensation or combination of the two. This thesis was reinforced by a number of UN resolutions that called for the same solutions. These resolutions are the mandates of the world community. The Palestinian desire for a homeland and for recognition of their identity is so strong that the basic tenet did not change and has not to this day. In fact, these Palestinian desires

may have intensified in the years since I left UNRWA even though the Palestinians have spread ever more widely throughout the Middle East and elsewhere. I think that they have become much more realistic about their prospects of returning to their former homes and resuming their former lives on their former lands. They realize that there is little prospect of the realization of that dream. They recognize that Israel will remain as an entity with the support of the United States; that it is militarily invulnerable. Therefore they are belatedly conceding now that certain facts exist and that they will have to settle for half a loaf—the West bank and Gaza— in some kind of arrangement agreed to by the Israelis. As many observers have noted, the Middle East has seen a series of lost opportunities. Palestinian realism is a recent phenomenon, although their desire for a national identity has strengthened over the years.

Q: Based on your experience, was the segregation of the Palestinians into camps a good idea?

KONTOS: The camps were a necessity because the Palestinians were refugees who had to be sustained. The Quakers were the first to feed these people; UNRWA took over from the Quakers. The UN was faced with a dilemma: what to do with people who had moved into camps outside of what is now known as the “Green Line” —the dividing line of pre-1967 Israel. So the camps already existed when UNRWA was established; they had been erected by the Palestinians themselves when they became refugees. The camps just grew up as a consequence of the refugee emigration following the 1947 partition.

Q: Were efforts made to bring permanent improvement to the Palestinians' lives? Did they succeed? If not, why not?

KONTOS: Efforts were made, but they couldn't be directly attributed to UNRWA's programs. Certainly some were able, by getting jobs and becoming self-sustaining, to enlarge their one-room concrete huts and turn them into two-story houses. Some Palestinians were able to improve their standard of living by participating in a growing local

economy. There was some support for small entrepreneurs—small shops and services—but that all came from the Palestinian community itself. UNRWA's mandate was limited to providing certain services: education, public health and food. We didn't have any money to expand our efforts, even if we wanted to do so. We barely had sufficient funds to keep the continuing programs going. Each year, as the number of students increased, we had to hire more teachers.

Q: The Arab states that might have contributed financial resources did not see the refugees as a threat to their own stability?

KONTOS: No, they did not see the refugees as a threat. Among the host governments, however, one did see the Palestinians as a potential threat and that was Lebanon. It was greatly concerned that this large minority of displaced persons, mostly Muslims, would change the balance of power in Lebanon and add a whole new disproportionate number of Muslims to the society. The Gulf States certainly did not perceive any threat; they in fact saw the Palestinians as people deprived of their lands and property and as fellow Arabs whose grievances had to be addressed. Kuwait imported Palestinians by the thousands for jobs in the government, in the professions and in the economy in general. The Palestinian diaspora spread them throughout the world. Because they are entrepreneurial and have an exile's motivation, they have become the best educated and organized Arab group in the world. The result has been a great desire for a national flag, a seat in the UN—a place in the political spectrum.

Q: You were in UNRWA when the 1973 war broke out. What problems did that create for you?

KONTOS: I happened to be on leave when it broke out. I got word that hostilities had begun during consultations in New York on my way back to Beirut. So I had to return alone, leaving Joan in the U.S. We had some problems, but the war didn't really affect UNRWA's operational role. It was no threat to me personally. We did note however starting

in late 1973, a growing militancy among the Palestinians in Lebanon. Ultimately this resulted in clashes with the Lebanese army. We lived in Baabda, a suburb of Beirut, which overlooked the city. During the fighting between the Palestinians and the Lebanese army, we could see from our balcony tracer bullets flying through the sky. There were some aerial bombardments of the camps by the Lebanese, a curfew was instituted, but despite that and the violence, I was able to reach the office, although only at certain hours. I flew the UN flag on my car which also had a UN license plate.

The only time I got into any kind of personal difficulty was when, as I approached the main route in my private car, I saw that in one of the neighborhood Palestinian camp some tires had been piled up and lit, blocking the main route; so I decided—foolishly—to take what I thought was a shortcut. I ended up in a dead-end in a very dangerous part of town. I started to back up when I saw two young guys with machine guns running towards me shouting at me in Arabic, presumably asking me what I was doing there. They kept their guns pointed at me. This was during a period when a number of incidents had occurred with UN personnel and foreign journalists taken hostage. They would usually be held for 48 hours and then released; it wasn't anything like the way it became ultimately. I felt sure, when the two guys approached me, that I would be in trouble for a few days. I pointed to the car's license plate and kept repeating “UNRWA, UNRWA”. They finally seemed to understand and indicated to me to leave there in a hurry, which I surely did. That was the closest I came to be taken hostage. I think this was some indication of the good reputation that UNRWA enjoyed among the Palestinians.

I should add that I had a UN Laissez Passer—a red UN passport—that allowed me to travel across all sorts of borders, which other Americans couldn't do. I traveled frequently to Syria, Jordan, the West Bank and Gaza; I crossed into Israel from Southern Lebanon; I went into the West Bank from Jordan. My international status eliminated any frontier barriers; I crossed borders without any difficulties. UNRWA had a daily shuttle, driven by two Swedes, going through southern Lebanon to Jerusalem, to Tel Aviv to Gaza and to the West Bank and returning to Beirut the next day. That was a very useful way to get around.

I also had an UNRWA car with an Arab-speaking driver at my disposal which helped me get around. So I traveled rather widely through the Middle East, being introduced for the first time to the problems of the region and its cast of characters. It was an extraordinary experience.

Q: That now brings us into 1974, at which time you returned to Washington for an assignment to the Secretary's Policy Planning Staff. How did that come about?

KONTOS: That was interesting. While I was assigned to UNRWA, I came back to Washington on consultation and ran into an old colleague of mine from the National War College who was then on the Policy Planning Staff. He asked me what I was doing, then he said that the Staff needed someone with my background because it was undergoing some reorganization and restaffing as the result of Henry Kissinger's recent appointment as Secretary of State. Kissinger had brought with him from the NSC Winston Lord and had made him head of the Policy Planning Staff. My friend arranged that I meet with Lord that same afternoon. We had about an hour's discussion; he mentioned that he had a vacancy in a position which was intended to do two things: a) to track U.S. assistance programs and economic development in general and b) to watch developments in the U.N. Since I had a background in both areas, Lord thought I might fit in well. I told him that I would be interested in being considered, but that I needed to think about it. Lord said that he also needed to consult the Secretary and that he would let me know. He suggested that before leaving, I also talk to Brandon Grove who was at the time one of his deputies.

So I returned to Beirut the following day and resumed my activities. I had finished two years and had expected to remain for another year or two. In fact, there was a prospect that when Rennie was to retire in a couple of years, I would succeed him as Commissioner General, which would have been a substantial promotion. Soon after I returned to Beirut, Rennie left for Scandinavia for one of his periodical fund raising expeditions. He was in Stockholm when I received a cable from the Department assigning me to the Policy Planning Staff and thereby terminating my assignment to UNRWA. There was, of course,

no time for me to have sent Lord my considered views. I could have resigned from the Foreign Service and stayed on as a full international civil servant, but I decided that, although UNRWA was very interesting and that staying on for another year or two might have been advantageous—particularly from the point of view of learning more about the intricacies of Middle East politics—in fact, UNRWA had a very limited future. It had financial difficulties with annual budgetary crises, it was an organization continually under pressure because it could not do what it really wanted to do or what was really needed—further easing the plight of the refugees—and then there was the psychological depression that we all felt stemming from dealing with the miseries of the camps day in and day out and from the frustrations of trying to do more than one really could. Furthermore, Joan was not very happy in Beirut; there wasn't much for her to do, although she did travel with me on my trips. All of those factors led me to decide to return to Washington.

So we came back and I went to work for Winston Lord in S/P. I spent two years there. It was extremely interesting. For the first time, I was in a job at the policy planning level in the Department. I attended occasional meetings with Secretary Kissinger. I came to admire and respect Lord's abilities and competence. We had a very good staff, many of whom became Ambassadors and other senior officials: Mike Armacost, Sam Lewis, Brandon Grove, Reg Bartholomew, Don Petterson, Luigi Einaudi (now our Ambassador to the OAS), etc. It was a very good group of individuals working in a collegial manner. We were involved in all sorts of issues, stemming in part from Winston Lord's close relationship to the Secretary that made us very much part of the policy development process—to the extent that Henry Kissinger allowed anyone to share that process with him. My particular assignments were fairly active during the 1974-76 period.

One of the more important elements of my tenure was, at the behest of the Secretary, to set up joint scientific-cultural-economic-political commissions and exchanges with a number of countries. Kissinger had the idea that we should extend ourselves to the maximum extent possible in involving the various branches of our government with those of its counterparts in another one. He reached the conclusion that joint commissions

should be established with a number of key countries and that under the umbrella of these commissions linkages between bureaucracies would be established covering a wide range of activities. These commissions were initially established with India, Morocco, Indonesia, Pakistan, Israel, Saudi Arabia—which as I will mention later became a major enterprise. I was charged by Lord to do the initial planning to set up the modalities for these commissions—who would represent whom, at what levels, who would take the lead. For example, in the case of Saudi Arabia, the Department of the Treasury wanted to be the lead U.S. agency. In other cases, it was State. I worked with a couple of NSC staffers —Bob Oakley, Arthur Houghton (his assistant)—on a series of drafts which were approved by Lord and Kissinger. We set up model joint-commission compacts, which could be molded to the particular circumstances of any specific relationship.

The Saudi one became a major enterprise. The joint commission had offices in both Riyadh and in Washington (in Treasury). It became the vehicle for U.S. agencies (U.S. Corps of Engineers, Commerce, Weather Bureau, etc) rather deep involvement in Saudi activities. The cost of the joint commission and all of its assistance activities was borne by the Saudis. Some of the commissions were just vehicles for annual or semi-annual meetings—once in Washington and once in the other capital. Some were fairly pro forma and others were quite serious, but all in all it was a very useful idea. I think a number of these joint commissions are still extant; certainly the Saudi one is still going.

We did not follow each of the commissions. The management of their operations was left to the relevant regional bureau, although the S/P officer who followed that particular region would monitor what was happening. The operations became part of the normal duties of the State Department and the Foreign Offices involved. Some have suggested that Kissinger, after having spawned the concept of joint commissions lost interest in them. That could well be true because at the time they met a specific political requirement. That was true for India, Morocco, and Israel for example. Once the need was met, Kissinger probably lost interest. He used them to meet specific political needs, mostly when they were first established. After they had accomplished their purposes, he left the operations

to others although he did seem somewhat resentful that Treasury had been given the chairmanship of some of the commissions. He wanted all of them to be under State's flag. But he lost that battle.

I had an other interesting assignment while in S/P. One Sunday, I got a call from Winston. I remember vividly that I was painting some window sills when the call came. He told me a serious crisis had erupted in Jordan and that the Department was establishing a Task Force to deal with it. This period ultimately became known as “Black September” when Palestinians in Jordan attempted to dethrone King Hussein. Some civilian airplanes were blown up in the desert. Matters became very tense and the Department set up a crisis center task force. Lord said that my name had been suggested as chairman of the Task Force and could I come to the Department immediately. So I washed the paint off my hands and face and rushed down to State to head that Task Force. We spent a couple of weeks, working around the clock. We drafted people from other parts of the Department and other agencies. We worked in the Operations Center. We had to worry about stranded Americans. We worried about the Syrians who seemed prepared to activate their armored columns to support the Palestinians and that required close work with the Defense Department. Our Ambassador, Dean Brown, was going back and forth to the Palace in an armored car; matters became very tense in Jordan.

I had help on political matters from Talcott Seelye who was then the country director for Jordan-Israel-Syria. President Nixon became very much involved in this issue. I met with him once in his office—Talcott and I one Saturday morning with Acting Secretary John Irwin went over to the White House. We were met by General Haig who escorted us into the Oval Office. We briefed the President on what was going on in Jordan. The President listened very carefully and made some cogent comments. He instructed us to increase the assistance levels to Jordan by several million dollars. On my return to the Department, I called Ernie Stern, then the director of AID's Policy Planning and Coordination Staff, and told him what the President had said. He said: “Wait a minute. It isn't that easy!”. I told Ernie that if he had any problems, he could check with the White House. The aid was

increased immediately!. It was a very heady experience. We also briefed Alexis Johnson, who was then Under Secretary for Political Affairs. After we had spoken at some length about the problems of the Golan Heights, the Palestinians, etc., I came away with the impression that Johnson didn't know much about the area; he had asked some very elementary questions. I mentioned this to Talcott who pointed out that Johnson had never served in that part of the world. Nevertheless, I was struck that a man who becomes the most senior professional in the Department and who presumably reads the New York Times with some care let alone the policy cable traffic, seemed to know so little about such a key area of the world. It seemed strange that he was still as Under Secretary, trying to acquire a basic education in fact. I was astonished.

The Task Force concluded when the Palestinian revolt was suppressed and when the Syrians decided not to intervene, thanks also to some fast footwork on the part of Henry Kissinger, including his threat to bring in U.S. paratroopers who were based in Germany. You remember I mentioned that while at the War College, the Commandant said at his initial welcoming speech, that we should look on each side of us because one or both of the people there would be of some help to us later? In fact, the guy who had been on my right during the Commandant's address turned out to be the Air Force's Lieutenant General in charge of the Pentagon's Task Force on the Jordanian crisis. He was working for the Joint Chiefs of Staff at the time. It was palpably clear that he was quite relieved to know with whom he was dealing in the Department. It eased the communications between the two agencies considerably. We could speak to each other with ease and know that whatever commitments we made on behalf of our agencies would be carried out.

Q: Tell us a little about your functions as the Secretary' man on assistance?

KONTOS: I established close liaison with AID. I was invited to a lot of meetings that heretofore had been closed to the Department of State. I am sure that the fact that I still had an AID label helped considerably. I was privy to some of the program decisions made

and was involved in considerations of individual country programs. I think I contributed something to the process because I brought another perspective to it.

I should mention that after my Jordanian Task Force experience, which had gone well, I was tapped again later for another Task Force. I became S/P's task force expert. This time, I was assigned as director of the Cyprus Task Force in 1974, which was a much bigger and longer one. That Task Force resulted from Makarios' attempt to ease Turkey out of the island. The Greeks and Turks almost went to war over that effort. The Colonels' government collapsed and was succeeded by a new regime. The Turks sent a sizeable contingent of troops into Cyprus and they drew a line of demarcation to separate the two communities. Many Greeks who lived then on the Turkish side were forced to leave their homes, creating a refugee problem. The Turks took about 40% of the land, although they were only 18% of the population. This was a much more intense experience that the Jordanian one. The Task Force was very large. There were a large number of American tourists stranded in Greece, Turkey and Cyprus who had to be evacuated. We had to brief U.N. officials and representatives of the EC. I worked very closely with Art Hartman, who was Assistant Secretary for European Affairs. That Bureau had, just a few weeks earlier taken over responsibility for Turkey, Greece and Cyprus, so that it didn't have much of an institutional memory or experience in this area. Art Hartman and Jim Lowenstein, his deputy, worked particularly closely with the Task Force. Phil Stoddard from INR, who was a specialist on the area worked closely with us as well. He was invaluable. NEA, which had been responsible for Turkey, assigned one of its officers, Peter Sutherland, to the Task Force. Dick Bowers was our Executive Officer. The group was large and of course we worked around the clock. We would change shifts every eight hours and I would spend a lot of time trying to be with each shift for at least a part of the time. The amount of cable traffic that had to be gone through was unbelievable. It stood in piles and piles. It was a major task just to read it, sort it, distribute it to the right places, and finally brief the Secretary and the Deputy Secretary (Jack Irwin) on the contents. The Cyprus Task Force lasted about six weeks.

Q: Before we leave this part of your career, tell us a little about S/P's role in the Department of State?

KONTOS: The functions of S/P have changed from time to time depending in major part on the relationship of the Director of the staff to the Secretary. Henry Kissinger and Winston Lord had a very close tie, of course. So that in addition to the normal functions of an S/P staff, we were also the speech writers. Lord would take the lead on drafting speeches, but some of us would be involved in the work depending on the subject. The S/P staff did not consider itself as the “devil's advocate”. I did feel that Kissinger, not being very aware of such modalities as the chain of command, often turned to his confidante, Winston Lord, and asked him and S/P to do things that might normally be assigned to a bureau. That is how I became director of two Task Forces. In the Jordanian case, I happen to have had recent experience with Palestinians so that I did have a relevant background for that job. I guess I also had the reputation as a manager who could handle operational activities. When Cyprus came along, I had a track record, so that when the Secretary turned to Lord, he tapped me again.

Kissinger left a legacy on the Cyprus issue that has become controversial. He was accused by many people—certainly the Greeks—of having tilted towards Turkey and of not having pushed the Turks sufficiently to give up if not all, much of the territory they claimed and to withdraw their troops from the island. So his legacy is vexed and in Greece he earned considerable demerits for his handling of the Cyprus crisis. As I look back on it, however, I note that he avoided war and that although the Cyprus issue remains a complex and difficult matter, we continue to have the friendship and alliance of both Greece and Turkey. He perhaps could have been a little tougher at some stages. He made one comment that one of his principal problems was dealing with Archbishop Makarios, whom he described once as “being too large a man for such a small country”. He thought the Archbishop needed a much larger stage on which to perform.

I don't want to suggest that the Task Force formulated policy. Kissinger did that. We brought the latest information to him, Irwin and Hartman so that policy could be formulated. Bill Macomber was our Ambassador in Turkey and Henry Tasca was our Ambassador to Greece. I was on the phone to both continually and I was a transmission belt. We assessed what was going on in the area. Lowenstein's job was to brief all the European Ambassadors in Washington. Hartman used what information and assessments we had to brief the Secretary. I used to brief Lord, sometimes also the Secretary, but that was Art's job primarily. It was, however, Kissinger who orchestrated the way we responded to the crisis. He would decide, for example, that he should call the President of Brazil. So he had to have a briefing paper on what he should say. He spoke frequently with the principals in Ankara, Athens and Cyprus.

Q: You seem to suggest that our role in the Cyprus crisis may have led to the development of policies that have stood since then.

KONTOS: Yes. Decisions made by Kissinger in a crisis moment have in effect become permanent U.S. policies. For example, his decision not to press the Turks too hard has stood the test of time, even though a number of us wished that he had pushed harder for a diminution of the Turkish armed forces on Cyprus. It is clear that the response to the crisis and subsequent events were orchestrated and shaped by Kissinger. He handled all the levers himself.

As far as my normal assignments—economic development and the UN—were concerned, although they were not high on the Secretary's priority list, there was a great deal of consternation and discussion in the UN on the “new economic order”. Kissinger was dragged into this debate and had to be brought up to speed on economic issues, which he had heretofore disdained. There was an occasion when the President was going to address the UN on this “new economic order”. Accusations had been made that the U.S. had somehow rigged the “old order” in a way that was counter-productive and inimical to the well-being and destiny of the Third World. There was a major confrontation in the

U.N. which included attempts by certain U.N. members to reorganize the U.N. apparatus. The U.S. was on the defensive. Kissinger became involved in the damage limitation process and our efforts to try to turn the situation around so that our interests would not be undermined. He began an intensive study of economic issues. I would be called from time to time as one or another arose. I remember once that Kissinger was called upon to brief a half dozen Senators on the question of how we intended to handle the challenges from these Third World critics and how we intended to deal with the challenge of the “new economic order”. Tom Enders had been conducting most of Henry's briefings (Economics 101). Kissinger characteristically mastered the subject matter and was able to deal with the Senators with ease. Kissinger always wanted verbatim notes of his meetings. Peter Rodman, who was Kissinger's personal assistant, had devised a system that would capture all of Kissinger's comments and keep them for posterity. I was not able to attend the meeting with the Senators (both Lord and Rodman did attend), but I saw the transcript of the meeting. Kissinger's performance was absolutely masterful. He had understood all he had been briefed on; he had absorbed the material and was able to outline it to his listeners in a clear and precise manner. It was a tour de force on economic issues which showed what a quick study he was. It was a very professional economic briefing.

Enders, Lord, and a couple of us were involved in this whole U.N. effort, along with Ambassador Moynihan. We wrote papers, drafted speeches, lobbied other nations. Moynihan was in Washington for a day and I was his escort officer. I took him around and had a liquid lunch with him. That was an exciting period.

The Cyprus Task Force had just been shut down and I had gone home for what I hoped to be my first good night's sleep. I didn't get home until after midnight, was planning to sleep late. At eight o'clock in the morning, the phone rang. It was my office announcing that the Secretary intended to visit the Task Force that morning and I should be in the office. I got dressed as fast as I have ever done, ran to my car, zoomed down to the Department just as the Secretary was finishing his tour. As he left, he did thank me warmly for my efforts on Cyprus. I had a couple of other meetings with Kissinger during which I was the note

taker (Rodman couldn't be at all the meetings). Fortunately for me, Art Hartman also took notes because I could not possibly have recorded the full text of what was being said.

I was able to leave S/P with a good record of my activities. It was a very busy two years. I wrote a lot of memoranda, papers, and speeches on the issues I was following.

Q: Did you consider the practice of "policy by speeches" to be sound?

KONTOS: Very much so. In fact, I think this was a calculated Kissinger ploy, for what it did was to ensure that in the speech clearance process all interested parties came to agreement on a policy. This was particularly true on economic policy, which was my beat. My drafts had to be cleared by the Treasury and Commerce Departments, AID and OMB. This clearance process took a lot of work, which sometime forced policy decisions that may have been submerged for a while, and resolved policy conflicts because the speech had a deadline and therefore drafts had to be put in final by a definite date. It sometimes even took Kissinger's intervention with the Secretary of the Treasury, Bill Simon. Those two were not very compatible. In a few cases, the issue in debate had to go to the President. But the advantage of this process was that it forced decisions and demanded a carefully articulated statement of policy which furthered Kissinger's view of the role of the United States and strengthened the hand of the State Department.

Occasionally, the bureaucracy itself used this process to advance one of its own positions or ideas. But in the Kissinger era, those opportunities were rare because he was one Secretary who knew what he wanted to say and had a very clear notion of his foreign policy direction. To the extent that agendas, derived from bureaucratic underlings, were inserted in the speeches is another matter, but. by and large, Kissinger knew what he wanted to say, had a clear view of how to say it, had a sense of style and was a very tough task-master. When I started drafting a speech, I had clear guidelines within which to work. In fact, Kissinger would meet with Winston Lord and sketch out the points he wanted covered. Lord would then brief us and, in some cases, wrote the first draft himself.

Peter Rodman was also an excellent wordsmith and stylist. He was the principal editor of Kissinger's two memoirs and had helped on many speeches. As I said earlier, there were a lot of good people in S/P who had been recruited by Lord. Tom Enders who was in charge of the Economics and Business Bureau was one of the brightest members of the Foreign Service. Arthur Hartman at EUR was also first rate. So there was a lot of talent around Kissinger.

My two years in S/P forged many friendships. Most of my colleagues of those days have gone on to other pursuits. It was a heady and worthwhile experience, which I would not have wished to miss. Looking back, I certainly feel that I made the right decision to leave Beirut and return to Washington.

Q: Then in 1976, you became the Special Representative of the President and Director of the United States Sinai Support Mission. How did that come about?

KONTOS: I guess it was the result of my directorship of the two Task Forces that I have earlier described. Since those groups worked well, I guess I became known to the Department's leadership. The Sinai job was not one that I sought; in fact I don't think I ever went out to seek any job, beyond my first one.

At that time, the headquarters of the Sinai Mission was on the Seventh Floor of the Department of State. That is where it was established initially; much, much later it moved to Rome as headquarters of the successor organization—the Multilateral Force and Observers organization (MFO).

Essentially, the Mission was one result of Kissinger's shuttle which took place after the war of 1973. At that time, the Secretary was able to persuade the Egyptians and Israelis to agree to a transition period before the Sinai was turned over to Egypt. The transition period was intended as a time when both sides could build confidence in the peaceful

intent of the other. It enabled Kissinger to lower tensions between the two foes and reduce the prospects of further clashes between them.

The Sinai Mission was established in the Sinai astride the traditional invasion routes—the Mitla and Gidi Passes. Under the terms of the agreement signed by the U.S., Egypt and Israel, the U.S. was committed to deploy a civilian peace-keeping force in the Sinai that would protect the approaches to these passes from either side. This was to be done by setting up observation posts, electronic sensors and listening devices that would monitor any activity in the passes or nearby. Moreover, as part of the agreement, both Egypt and Israel were permitted a major observation point, which was to be manned by themselves. The Israelis already had one; the Egyptians were permitted to build one of their own. That allowed each side also to verify with its own people that no invasion force was approaching the passes. The Secretary and the NSC decided that the State Department would become responsible for the management of this observation effort. The Department decided to employ a civilian contractor who would work under the direction of the Department.

In the Fall of 1975, Joe Sisco, then Under Secretary for Political Affairs, Frank Wisner of the Secretariat and Bob Oakley of the NSC were assigned the responsibility for drafting the first mission statement. In December, 1975, I was asked by Winston Lord, on behalf of the Secretary, to take charge of the project. The man who had been working on the project had already brought in some people—one from the Pentagon, a naval contractor, a couple from the research arm of the Army, a Marine Corps Colonel. When I was sworn in as Special Representative of the President, a partial staff was already in place and a request for proposals (RFP) had been publicized in a Commerce announcement. The proposals were for the establishment of a field mission, including housing for up to 200 people, observation posts at both ends of the passes, deployment of electronic gear, placement of the sensors, procurement of observation gear (telescopes, binoculars, night vision devices), and finally to construct a facility in the Sinai. The contractor also had to man this observation operation 24 hours each day, The responses were coming in as I

took over the job. There was some urgency in making decisions because we were working on a deadline, which was sometime in the following Spring. A special appropriation had been made so that funds were not a problem.

My first task was to review each of the proposals that were already coming in. That was done meticulously and with great care. We set up a special board which included people with contracting expertise from various agencies to review the proposals. We established a dozen criteria that had to be met. Weights were given to those proposals that best met the criteria. In the end, the successful bidder was a Texas organization, headquartered outside of Dallas, called “E Systems”. It, in turn, negotiated a subcontract with a Texas construction firm to build the facilities—housing, offices, observation posts. The subcontractor, H. B. Zachary, was headquartered in El Paso and accustomed to building with pre-fabricated concrete units. They had used that process in the construction of motels. These concrete units were ideal for the Sinai requirements; each had living accommodations, kitchens, bedrooms. They were designed to be placed one on top of the other, so that a building of almost any dimension could be put up. The contractor obtained these units from an existing job and put them on a ship leaving Corpus Christi, Texas to be delivered in the Sinai.

Meanwhile, a group, including two or three men from my office and some we borrowed from the Defense Department, went out to the Sinai to survey the situation. They went to both Cairo and Jerusalem and established links with liaison officials of both sides. They identified a site appropriate for the Sinai Field Mission. The Sinai was then still Israeli occupied up to the passes. Beyond those passes, towards the Suez Canal, the land was in Egyptian hands, although Egypt had no military presence there. Only nomads wandered around in the area between the Suez and the passes. The only Egyptian military presence in the Sinai permitted by the agreement was the personnel to man the observation post. We chose the site, the perimeter of which was to be patrolled by armed U.N. guards. Our personnel would be unarmed.

We are now in January 1976. “E Systems” and the construction contractor used a number of airplanes—converted 747s—to ship the construction material in order to build a temporary facility on the site we had selected. This temporary base was to be used by the construction workers and also to serve as the beginning of our operations. We established communications between Washington, Jerusalem and Cairo. There was a lot of work that had to be done in a short period of time. E systems was expert in loading the planes so that the material was unloaded in a proper sequence. We did have a crisis when the issue arose as to how the heavy concrete units would be brought into the Sinai; this required flat bed trucks. The passes were obviously much closer to Egypt and we thought we would use that route—from Cairo to the Canal, across the Canal and to the site. But the roads on the Egyptian part of the Sinai were meager and primitive; also there were no facilities in any Egyptian port for unloading these heavy units. Even if there had been adequate cranes, the trucks might have had problems crossing the Suez and might have blocked the Canal. So we scrapped the idea of landing them in Egypt and took them to Haifa instead. The route was obviously much longer, but roads were paved all the way to the Sinai site.

As the ships were en route to Haifa, I got a call from my deputy in Washington. I was in Cairo on one of my frequent trips during this period. He told me that the construction contractor's shipping agent had said that if the ship docks in Haifa, he would be in violation of the Arab embargo. That would mean that no other ships of that shipping line would henceforth be permitted to dock in an Arab port. So we had to get involved in finessing the Arab embargo rules. We had our Ambassador approach the head-quarters of the embargo enforcement agency, which was in Damascus, to see whether the Haifa docking would be a violation. We were able in the end to persuade the shipping line to dock in Haifa without penalty. I have a vague recollection that in order to avoid the embargo, the ship had to stop in a neutral port first (Nicosia, I believe) and then it could proceed to Haifa. I am not clear on the details, but some kind of legal subterfuge was worked out. That was one of the many, many difficulties that we overcame.

I must say that I had terrific cooperation from both the Egyptians and the Israelis. The Egyptians appointed a Major General to be the liaison officer and the Israelis appointed an Army Intelligence Corps Colonel. They both were skilled at cutting corners and through red tape. I shuttled between Cairo and Jerusalem and Washington.

The temporary camps were constructed. The first message was sent reporting to me and to the Secretary that the Mission was in business. The living conditions were far from ideal; winter in the Sinai in prefabs was not exactly a picnic.

We also had to establish a continual support system for the Mission. Most of the fresh fruit and vegetables came from Egypt and the rest of the food stuffs from Israel. E Systems was responsible for supplying all the provisions.

After the Mission was working, its main functions were to observe events around the passes and to maintain liaison with both sides to resolve any disputes that arose from observations—ours as well as theirs. We had to report any trespasses into the neutral zone. We had a very elaborate reporting system to both sides and to Washington, so that if there were a violation of either the airspace or the neutral zone by any unauthorized vehicle or person—we had occasional mistaken penetrations by people who did not know where the boundaries were or who may not have had appropriate authorizations—there would be an immediate report made. There were a number of unauthorized penetrations, mostly by uninformed people. The more difficult aspect was air violations, which we did not handle as well as ground ones. We had a U.S. airplane monitor the Sinai periodically, that provided air cover for events in the Sinai and provided pictures to both sides from those flights. These planes had very good military photographic equipment on board; we used U-2s with the agreement of both parties.

Our main objective was to build confidence that the U.S. was serving both sides even-handedly and effectively.

We had a number of sticky moments. None of the Egyptian or Israeli observers were to have arms of any kind—personal weapons or otherwise. There were some attempts made to bring arms into each side's observer posts. The Israelis had a very sophisticated observation point filled with the latest in listening and detecting equipment. The Egyptians were building a much more primitive post on their side of the passes. Both sides tried from time to time to pass our posts with guns, which they always said were with them inadvertently. We always checked the Israeli and Egyptian observers as they went to and from their observation posts. The Americans who did this checking were Foreign Service officers from State and AID. We had 12-15 young FSOs who were liaison officers to the two sides. The E Systems people manned the sensors and other observation equipment, but dealing with each side was left to the FSOs who were stationed at each observation post. The FSOs lived first in temporary and then in permanent barracks along with the E Systems people. They would go to their posts every eight hours where they observed what was going on in the observation posts of each side.

Q: Why was it decided that these observation post duties would be performed by Foreign Service officers?

KONTOS: Because it was a ticklish matter. We needed some people who had a feel for the sensitivities of the situation. The FSOs had other responsibilities. From time to time, they would be assigned to our offices in both Egypt and Israel. Two or three would man those offices on a rotational basis. They served as our day to day liaison to both countries. We therefore needed people with some good sense; in some cases, we required an officer with language skills. The assignment of an FSO or an AID officer to the Sinai Mission was for one year, but I think for them it was a very interesting, rewarding assignment despite some of the long and tedious hours at the observation posts. They got a lot out of their assignments.

Q: How does one evaluate the success of an enterprise like the Sinai Support Mission?

KONTOS: You judge it by the fact that it had a beginning, a middle and an end. It fulfilled all the agreements signed by all three parties after the Egyptians withdrew from the Sinai: the US, the Israelis and the Egyptians. The deal was sweetened for the Israelis—who in giving up the Sinai also had to give up two airbases—by two substitute bases financed by us on their territory. That cost the US several hundreds of million dollars. The Israelis withdrew from the whole of Sinai by the end of 1981, except for a very small area called Taba, which had been in dispute ever since the negotiations had started. It took further international mediation before Taba—with its large Israeli tourist hotel-was returned to the Egyptians.

The whole arrangement worked out very well, thanks in major part to our presence and our role as intermediary plus our financial generosity—that made it worthwhile for the Israelis to give up their two airbases—including large amounts of foreign assistance for the following years up to and including today.

Q: What was your role in obtaining Congressional support for the Sinai arrangement?

KONTOS: The enabling legislation which authorized the funds also included a requirement for semi-annual reports. So now there is a complete record of what occurred throughout the life of the Sinai Mission. There were also Congressional hearings. On the House side, it was Lee Hamilton's Europe-Middle East subcommittee that held the hearings; on the Senate side, it varied. For a long time the hearings were chaired by Senator Kassebaum of Kansas. I used to brief her privately as well. Hamilton had regular hearings. I was very pleased that I was able to report to him regularly that we had not spent all the funds appropriated because of our efficient operation. The Congressmen were very pleased to hear that.

I was the Director of the Sinai Support Mission for four years. After I left, the construction work was all done, the observation routine had been well established. While still Director and after things had settled down, I made it a practice to visit the area periodically, making

sure that I would alternate my starting points between Cairo and Jerusalem. I used to talk to both sides and brief them on what was going on. The trips were often just an opportunity to maintain cordial relationships with both sides, but there were always problems cropping up—transportation, clearances. At the height of our construction program, there were probably 185 people on site; we never reached the 200 mark. E Systems brought in people largely from Greenville, Texas which is where their plant was located. Many of them had never been outside of Greenville when then, all of a sudden, they found themselves in the Sinai with access to both Egypt and Israel. To deal with culture shock, we mounted an orientation program for the E Systems people, with specific emphasis on the principal executives of the contractor. Initially, we put on a two day program for them. They were briefed by Gordon Beyer who was on the Egypt desk, Larry Eagleburger, and others.

Of course, E Systems had to recruit their own staff for the tasks in the Sinai. I was amazed at how few problems their personnel created. Only a few got a little tipsy, but there were no real drinking problems. One or two were sent back home because they were found with some pot but, in general, there were no drug problems. In the latter stages of my tour, we permitted women to work in the Sinai; we had no problems with that. It was remarkable how little trouble we did have. In part, that was due to the E Systems' careful selection process; they picked people who were courteous, flexible and tolerant and who turned out to be good representatives of America abroad, even though most had never left Texas before. The supervisory staff served for two years and the others worked for 12-18 months.

I had two deputies on my staff: one was living in the field and one was in Washington. The deputy in the field was in charge of the whole operation; the E Systems people reported to him. He controlled the operations; he in fact was the Mayor of a small town in the Sinai. They had a fire brigade, a security force a cafeteria. etc. My deputy established the ground rules for leaves, etc. He was also the principal liaison with the UN which as I mentioned guarded the perimeters of our observation operations. They consisted of two rotating

battalions: one Ghanaian and one Fijian. My deputy was also the principal liaison with the Egyptians and the Israelis and in charge of our two offices in Cairo and Jerusalem. My first deputy was Nick Thorne, whose wife resided in Cairo; his deputy was Owen Roberts, whose wife lived in Jerusalem. The officers themselves lived in the Sinai station. They may have seen their wives briefly every two weeks or so.

There was a story I might mention at this point. One of the drivers of the Sinai Field Mission director was made available to me when I would visit the area. He was a 19-20 year old Texan who had never left Greenville until this assignment. He may have had one year at the local community college and then had joined the E Systems. He was a splendid driver. But the most fascinating part of this young man's experience was how rapidly he mastered basic Arabic so that he could drive around Cairo. He knew all the labyrinths in Cairo of which there are many. He mastered the topography of Cairo so well that he could find almost any location in the fastest way possible; he knew where the traffic jams were forming and how to bypass them. He acquired the same skills for Jerusalem and Tel Aviv —he learned enough Hebrew to get by in Israel as well. Everybody knew him; everybody greeted him warmly. Sometimes, when he needed to get directions, he would ask for them in the local tongue with a Texas accent. It was an eye opener for us and a wonderful experience for him.

Before we leave my Sinai experience, I would like to make one more point. The Sinai Support Mission was, in my view, one of the most successful cooperative venture between the government and the private sector that I know about. It was run by the Department of State; it handled a major contractual negotiation; it oversaw the work of two splendid large Texan firms; it was a model in many ways of how the U.S. government and the private sector can collaborate effectively. We issued guidelines on the dos and don'ts. The relationship was very amicable and constructive and in the final analysis, very productive. When people say that the State Department doesn't know “how to run things”, they should

look back on the Sinai operations which were exceptionally well orchestrated and an illustration of good efficient and effective management.

Q: Before we end this discussion, I would like to ask how much interest did the Secretary and other senior principals show in the work of the Sinai Mission?

KONTOS: A great deal. Initially, the whole operation was run out of Eagleburger's office, when he was the Under Secretary for Management. He was personally involved until the Carter administration came in and then it was to the NSC that I reported regularly. The Congress, when it authorized the Sinai operation, made it technically an independent agency. We had our own line item in the budget. My official title was Special Representative of the President and Director of the Sinai Support Mission. I reported to the Secretary of State and to the President, although in the real world, it was to the President's Special Assistant for National Security Affairs, first Scowcroft and then Brzezinski, who followed our activities on behalf of the President. So I worked closely with the NSC as well as Larry Eagleburger. Secretary Vance showed considerable interest in the operation when he became Secretary of State; he was very much engaged during his early days when Congress mandated a restriction on the number of Americans who could be posted in the Sinai. (They were concerned for their security). I remember that one day, right after lunch, I got a call from the Secretary's Office that I needed to come up with a master plan which would determine the number of Americans needed to be in the Sinai at any one time so that he could convey this information to a Congressional committee which was in the process of establishing this limit. So the two of us decided rather arbitrarily what the personnel limits would be.

Ben Read, who succeeded Eagleburger as Under Secretary for Management, also continued to show much interest in our activities.

Q: In 1980, you finished your tour as Director of theSinai Support Mission and were appointed as Ambassador to the Sudan. How did that come about?

KONTOS: As I said, in the course of my Sinai work, I had come to know the Secretary and the other principals on the Seventh Floor. I suppose it was deemed by them appropriate that I be given some recognition for a successful operation and the ambassadorship to the Sudan came open. Dick Moose, then the Assistant Secretary for African Affairs, asked me whether I would be interested. Then I got a formal call from Ben Read to ask me the same question on behalf of the Secretary. And I told both “Yes”. In fact, there was another ambassadorial vacancy and I was asked which I preferred. I picked the Sudan.

Q: What was the situation in the Sudan when you got there?

KONTOS: The Sudan was at that time already under the long term domination of General Gaafar Nimeiri. His regime had started in 1969, following a coup he engineered. He made himself President. He tried to emulate Nasser and the young officers' revolution movement of Egypt. He tried to follow Egypt's model politically, and associated himself with the Soviet Union. In the immediate aftermath of his coup, there was an extended honeymoon with the Soviets, which included a large, in the several thousands, Soviet advisory presence, both in the economic and in the military fields. Remnants of that era still continue today. For example, in the outskirts of Khartoum, there is a large hospital built by the Soviets; there are still Soviet built roads and other manifestations of a close, cordial and important relationship between the Sudan and the Soviet Union. The Sudanese communists with overweening ambition decided that Nimeiri was too great an obstacle to their long term objectives and attempted to remove him through a coup in 1972. The coup was aborted in a few days and thanks to some fast footwork, he was able to escape their clutches, although he had been incarcerated by them for a couple of days. Nimeiri escaped and mounted a counter-attack with some loyal troops. When he returned to power, he proceeded to eliminate the presence of both Soviets and local communists. He executed a number of the ring leaders; the Sudan's relationship with the Soviet Union became cold and distant and ultimately the whole Soviet aid effort and its special programs were ended. The U.S. at the time had been in something of a limbo; we had an Embassy

and an Ambassador, but relationships were very strained. It was also during this period that Palestinian terrorists took over the Saudi residence during a farewell party being given for our departing Ambassador, Cleo Noel. He and his DCM were imprisoned in the Saudi residence; valiant attempts were made to negotiate their release—Bill Macomber was despatched to Khartoum to free Noel, but a sand storm delayed his arrival. In the confusion and in the absence of good communications, the terrorist apparently felt that they had been double-crossed or not given the necessary assurances and proceeded to assassinate Cleo and his DCM. The relationships between the U.S. and the Sudan were already rocky; this episode turned them sour even through the terrorists were captured and incarcerated. Later they were transferred to a jail in Cairo, where they still languish, as far as I know. After Nasser's death in 1970, the Soviet influence waned considerably in Egypt and Sadat threw them out soon after taking office.

By the time I arrived in 1980, U.S. relationships with the Sudan were beginning to warm up. I arrived during a transition from the end of Soviet influence to a growing acceptance by Sudan of the U.S. That resulted in a growth in our aid program, both economic and military. By the end of my three years there, the Sudan had one of the largest aid programs in Africa, well over $150 million including military and economic assistance.

The Sudan is astride the Nile River which gives life and sustenance to Egypt. At least a neutral and preferably a friendly Sudan is very much in our interests. Sudan borders on seven other countries: Ethiopia, Kenya, Uganda, Zaire, the Central African Republic, Chad and Libya. So it is surrounded by a number of volatile neighbors. That Sudan can be a bastion of stability inclined favorably to the West, is very much in our interest and of vital importance to Egypt.

We also viewed Sudan as an offset to Libya. There was a growing estrangement between Qadhafi and Nimeiri. In fact, during my tour, it turned into a vitriolic hatred; they would call each other harsh names. This was also the period during which the Libyans moved into the Chad, with elements of Libyan armed forces trying to sustain rebels in Darfur, the most

western province of the Sudan. That certainly further inflamed the tensions between Libya and the Sudan.

In the civil war in Ethiopia, the Tigreans and the other opposition groups to the Mengistu regime were given sanctuary and sustenance by the Sudan. The Sudan greatly helped the Mengistu opposition. Our basic objective for the Sudan was to induce an Arabic speaking country to take moderate positions on Middle East issues. Only Egypt, the Sudan and one other Arab country—Morocco,—publicly supported the Camp David accords.

We did not have any economic interests in the Sudan. An American oil company—Chevron—made an intense effort to find oil and was successful. It was finding more when the current civil war broke out in the Sudan in mid-83. The Sudan was then well on its way to becoming a respectable oil producer—something comparable by conservative estimates to Tunisia. There were indications that potentially sizeable reserves might be found. There was considerable speculation that the large area called the Sudd, which is a gigantic swamp through which the White Nile flows, might well contain very large pools of oil. That was our major economic interest. Most of the oil found by Chevron was in the south. Some of it was in the border area between the north and the south and Nimeiri, in one of his less felicitous moments, tried to redraft the maps by extending the north to include the areas of Chevron's finds. That caused a great uproar in the south. We were mindful, of course, of the fact the Sudan shares the Red Sea with Saudi Arabia which made Port Sudan a marginally important strategic asset. We had finally reached agreement with the government to preposition military equipment in Port Sudan for use by American forces in case of any hostilities in that part of the world.

Q: The Sudan is not a homogeneous country. It is divided into several parts. Tell us something about the internal political issues.

KONTOS: There is west Sudan—the provinces of Kordofan and Darfur—which, although nominally Muslim, has very distinctive tribal identities. Then there is the rather exotic tribe

of the Fur who live in the southern part of Darfur. So the west is a distinct regional entity. Then there is the south filled by a large number of black tribes—Shilluks, Dinka, Nuer, etc—each with its own sense of identity. There was a growing Christian community in the south because under British colonial policies as conducted by the Anglo-Egyptian condominium, proselytizing was only permitted in the south. So both the Catholics and the Protestants were very active in that region, establishing missions and schools. They could not function in Muslim dominated areas. This created the very interesting phenomenon that 15% of the southern population, according to my own guess, including almost all of the southern elite, are Christian—mostly Protestant, but some Catholic as well. The balance of the population are either Muslim or animists, following their own tribal deities. The southern Sudan is a very rich mixture of tribes, cultures, languages, religions and unfortunately, a long history of animosity internally and vis a vis the North.

Our political relationships with the Sudan while I was there worked well. Nimeiri was very helpful to us because he maintained a barrier against Libyan expansionist goals. The French and we were trying to get Libya out of Chad and he supported us in that effort. Nimeiri showed great solidarity with Egypt and with Saudi Arabia. He handled the post Camp David period very well from our point of view by sticking with Egypt when it became isolated in the Arab world. As I mentioned earlier, the Sudan agreed to preposition equipment in Port Sudan and that was very helpful. We held joint military exercises. During my tour, the Sudan became increasingly a close friend to the United States.

Q: You earlier mentioned the major assistance programs we were conducting in the Sudan. What was their nature and what were we trying to achieve?

KONTOS: The Sudan has an extraordinary agricultural potential. In fact, it was described by earlier economists as the potential “bread basket” of the Arab world. It has hundreds of acres of untilled land. Some large agriculture areas were irrigated thanks to the major efforts made by the British in building canals and other appurtenances required for irrigation. We, in developing our assistance programs, recognized the high costs of

irrigation and the inevitable productivity diminution over time and began to concentrate on the rain-fed parts of the Sudan through various programs like extension work, seed development and other projects designed to increase the productivity of that agriculture.

The Sudan has aquifers, but we did not consider them as an economic source of water, unlike Qadhafi who is constructing a huge pipeline from the aquifers in the southern part of Libya to the north at a tremendous cost that will make use of that water entirely uneconomical.

While agriculture was the main focus of our assistance programs, we did look at the economy as a whole and tried to persuade the Sudanese to shed some of their government corporations, all which were losing money. We were successful to some degree in that effort and they did privatize some of their corporations and they did start moving into a market economy. This was another aspect of our relationship which we considered helpful; they did move away from a rigid socialist dogma propounded by their erstwhile Soviet advisors.

Q: Did you have enough sufficiently trained Sudanese to work with?

KONTOS: We had enough; certainly not a surplus, but an adequate number to handle the problems. The ministries were fairly well staffed by British trained bureaucrats, although by the time I arrived, a number had left the Sudan to go to the Gulf states where there were jobs that were much more remunerative. They sent remittances back to their families in the Sudan. So there was a considerable “brain drain” that went on while we were in the Sudan which continues even today. Despite this exodus, there was an adequate cadre of trained Sudanese with whom we could deal. Also the University of Khartoum, which was a respectable academic institution, and a couple of other good universities produced graduates who were competent.

Q: Did you have to worry about the North-South split in the allocation of aid resources?

KONTOS: Yes, we did. The South always wanted to have its fair share of the assistance. We were sensitive to its needs. The South covered a large land mass of the Sudan. We established an office in Juba, the southern capital. When I arrived in the Sudan, the South, as a result of the Addis Ababa agreement that ended the long civil war and which had in large measure been orchestrated by Nimeiri himself, operated as a semi-autonomous region. It had its own government, its own Parliament though foreign affairs, defense and finance were handled by Khartoum. The South ran most of its internal affairs. The Parliament was elected regularly. It was the beginning of a government by the South for the South. So the Sudan was in fact a loose federation. The President of the South reported to Nimeiri because Khartoum held the purse strings; the South was poverty stricken with a small tax base; it could not survive without financial assistance from the North. The South ran a third- rate government with very few sufficiently trained people; it was just trying to establish a coherent government apparatus which is very difficult to do under those conditions.

I mentioned earlier the North-South debate over whose territory Chevron had found oil. Related to that debate, was the question of the location of a prospective refinery. The South wanted infrastructure and projects which would employ its natives. Chevron, for good economic reasons, thought that Port Sudan should be the appropriate location because it would be the tanker loading site. The South wouldn't buy that rationale; it challenged the Chevron rationale because it would have deprived the South of an economically rewarding project. So I had my hands full trying to persuade the southern ministers that this was not a Nimeiri power play with Chevron being his “front man”. I was able to diffuse to a major extent the deep felt frustration of the South, but there were some tense moments.

Q: Did you have to get involved in other North-South disputes?

KONTOS: The South looked for anyone of any importance to speak on their behalf to Nimeiri. More and more, the government's decision making became centered in Khartoum

and particularly in Nimeiri. He became an all-purpose dictator. Everyone knew that I had unparalleled access to him and tried to use me as an advocate. Any time someone had a grievance, I would be sure to be briefed on the subject in the hopes that if I had an opportunity, assuming that I saw some merit in the position being put forward, I would be a spokesman for that position with Nimeiri. Access to the key man was absolutely imperative in that kind of a situation and I had that.

As happens historically, persons with that much power tend increasingly to be cut off from reality. Their staffs and entourages tend to speak only about positive developments and become afraid to convey bad news or to paint a true picture of a situation. The dictator is thereby protected from what is happening outside the palace. And that is what was happening to Nimeiri; he was becoming increasingly isolated. I saw my role as a bearer of some reality and an awareness of what was happening in his own country. As Nimeiri's entourage happened to be primarily Northerners, the South did not get a full hearing of its problems and grievances. I must add that there were two or three ministerial portfolios in the central government that were manned by southerners. They were minor cabinet positions—housing and transportation—but not enough to keep Nimeiri fully briefed on events and trends in the Sudan.

For much of my tenure, one of the Vice-Presidents was Joseph Lagu—a southerner. He had been the principal leader of the opposition during the civil war. After the Addis Ababa agreement, Lagu became the head of the southern government and made a mess of that. After a hiatus, he was made one of Sudan's two Vice Presidents. The other one was a very fine professional soldier, Lieutenant General Abdul Majid. As I said, I saw my role as the conveyor to Nimeiri of U.S. concerns and as a reporter of the Sudanese scene of those areas where I felt he lacked adequate knowledge. I particularly concentrated on southern issues because Lagu, while a southerner, was also a member of a tribe that felt that the Dinka majority in the South, including much of the southern leadership, was playing a disproportionate role. Lagu started to agitate for a revision of the Addis Ababa agreements that would divide the South into three equal provinces, one of which would be

governed by his own tribe and largely eliminate the single Southern government. Nimeiri had earlier divided the North into three areas. During the early days of my tour, there were four provinces in the North administered by governors, who were well qualified persons and whom Nimeiri had given a fair amount of authority. He asked for our assistance in this process by reducing the power of the center of giving greater authority and self-determination to the provinces. Lagu was arguing for the same scheme to be applied in the South, although there it represented an extremely dangerous political risk. Nimeiri was being lulled by Lagu, who kept bringing him petitions for a division of the South that he had obtained from various quarters. These views all reflected a minority tribal point of view, but since Lagu had access to Nimeiri, the continual belaboring of the point became quite influential.

Nimeiri finally succumbed; he agreed to divide the South into three provinces. That created a tremendous uproar because it violated the Addis Ababa agreements; it destroyed the structure of a semi-autonomous Southern government and contributed to the growing animosity of the southern tribal groupings. There were a number of incidents of growing disenchantment with Nimeiri on the part of the southerners. There was a definite difference between the first and second halves of my tenure in Khartoum. When I first arrived in the Sudan, one of my first visits was to Juba, the southern capital. I saw a lot of people, both within and outside the government. I traveled fairly widely in the South. I received the general impression that although the northerners were not trusted, particularly the elite that ran the Khartoum government, the southerners did trust Nimeiri, who was viewed as the author of the Addis Ababa agreements and as one who understood the South and had in fact befriended it. By the end of my tour, there was a growing antagonism and a deep mistrust of Nimeiri. He was viewed as one who was trying to take their oil away, was skewing aid programs to favor the North; he was no longer seen as one interested in the whole country, but rather as a northern partisan.

Late in my tour, the military took a very key decision with Nimiery's blessings. On the face of it, it seemed a very ordinary move. The military decided to transfer some garrisons that

were stationed in the South to the North and conversely, move some of the garrisons in the North to the South. It would seem quite rational that garrisons that had been located in one place for eight-ten years be shifted elsewhere just to shake up the routines that had been acquired. But this was in fact not an ordinary move because Southern soldiers, who had no sympathy or understanding of the North, never expected to be removed from their communities. So the redeployment orders were greeted with great consternation and resistance by the southern battalions. In fact, a mutiny broke out, headed by John Garang, who was then a Colonel, a southerner who had done very well in the military. He had been sent to Iowa State where he had earned a Ph.D. in agricultural economics, then was posted in Khartoum and then became commander of one of the battalions in the south. It was Garang's battalion that mutinied. This came as a real shock to his colleagues in the north who viewed him with favor. That mutiny spread throughout the south and, in due course, a full scale civil war ensued. The southern opposition was led by Colonel John Garang who still, eight years later, heads the southern resistance, although I noted recently that some Southern factions have split with Garang. Again tribal rivalries come to the fore. Now the southern resistance movement is fractured.

Q: I would like to pursue the question of U.S. assistance in a country split by tribal rivalries. What kind of special problems does that situation present?

KONTOS: First of all, we have to remember that getting around in the Sudan is very, very difficult. There are very few roads; the internal air transportation system is barely adequate, as is the rail system—the trains are very slow. So getting around was a major problem. The AID mission tried at the beginning, with some success, to post Americans in the hinterlands of the Sudan. It managed to get a few so located, but the support costs of keeping an American family going in such circumstances were quite considerable. The support logistics were extraordinarily complicated. Then there was a problem of the Americans posted in the South being linked to the ministries in Juba, which in turn depended on ministries in Khartoum for their resources. In addition, American

technical advisors had to have the support and approval of local officials. It became a very complicated administrative scheme with lots of actors in play.

In these situations, the shortage of adequately trained local officials became acute. Sudanese would be sent from Khartoum to Juba, but would only stay for brief periods and then be replaced by others. The Americans had no continuing relationships with a permanent Sudanese project manager. These difficulties led me to the conclusion that local technical assistance projects in the rural areas were not viable. I was more interested in moving the AID mission to a policy that would concentrate on the Sudan's macro-economic issues such as increasing privatization of government enterprises and increasing the U.S. commodity import program that would generate local currency for some creative local programs. I wanted a severe reduction in project activities, although a number that were marginally useful I wanted to keep. It was an uphill battle; the AID Director had an enormously difficult task in trying to reshape the program in a difficult environment.

As I said earlier, we were always concerned about North-South even-handedness and about the West getting a fair share of the assistance program. As strong provincial governors became established, each would lobby Khartoum for his “fair” share of the assistance pie. They would frequently come to see me or the AID Director and we had to pay constant attention to making sure that each of the provinces was given a fair share by Khartoum. Of course, there were other donors who undoubtedly encountered the same pressures: the World Bank, the UNDP, the Scandinavians—especially Norwegians who had sponsored an enormous project in the South which was to provide all of the infrastructure to a wide area—roads, farming tools for that particular soil, seed, extension advice. This was to be a model for development and the Norwegians had made excellent progress. As usual, once the Norwegians left, as they had to because of the civil war, the whole project collapsed because there wasn't anybody to maintain the required impetus or even the roads and the other infrastructure. The churches—Catholics and Episcopalians in particular—were very active. They built schools and provided welfare support, all in

the South. The Germans had a large aid program as did the Italians who supported their contractors generously. Italian projects in the Sudan were subsidized by their government —that was the Italian version of assistance. That made for a large Italian presence in the Sudan. The British were also present. A great amount of assistance was going to the Sudan.

There was also cash support from other Arab countries. Initially, the whole “Sudan bread basket” concept attracted Saudi investments, particularly from some of the Royal family princes. They supported a very large project near the Blue Nile that was a major effort to cultivate a massive rain-fed area. They brought in Australian farm managers, farm equipment, etc. It turned out to be extremely costly and the returns on the investment became more and more distant. The Saudis lost heart, which is not uncharacteristic of Arab investors who were always seeking a fairly quick return. In the agricultural field, particularly when you are starting with virgin territory, you face a lot of problems: soil development, infrastructure construction, etc. All of this takes time and the Saudis became impatient. Furthermore, the “bread basket” concept was overdrawn and exaggerated because the soil contained a lot of clay. The proper preparation of the soil was a problem —getting the right fertilizers and seeds. The soil was not good black loam that could be cultivated easily; it was difficult soil that had to be worked properly before it could be made fertile.

I was relatively optimistic about the Sudan's future until June, 1983 (my last year in Khartoum). Nimeiri had assured me that the partition of the South into three provinces would not occur. He told me that as an old politician who had followed the course of events in the South closely he had come to the conclusion that partition would engender too much opposition and too great a political upheaval. Despite having given me those assurances, he nevertheless proceeded. It had already been announced that I would be departing; so in the waning days of my tenure, Nimeiri reneged on his assurances and divided the

South. That in effect abrogated the Addis Ababa agreement, which ironically was his main achievement. We left in July.

In September, Nimeiri took the most egregious and foolish action of all in a desperate attempt to maintain power and to keep control; he pronounced Sharia law as the new foundation of Sudanese law. That made the government the vehicle for the dissemination and effectuation of Islamic law; the Sharia became the base for secular law and governance. The early manifestations of this new policy were ugly; Nimeiri set up religious courts which ruled with a heavy hand. There were other signs that he had become a born-again Muslim. At one point, just before my departure as this new thrust was just beginning, I spoke to him about these trends. While noting that it was obviously an internal matter. I felt constrained to point out to Nimeiri that Sudan's was more than one-third non-Muslim people, which might well react violently to imposition of Islamic law. I mentioned that he had, as I had predicted, already caused great unrest by dividing the South into three provinces. He said: “Mr. Ambassador, every person has been given by God a role to perform on earth. You have your role; I have mine. God had decided that I should be the head of my nation. His word is inscribed in the Koran, and I, therefore, take my guidance in helping my people from it.” He viewed himself as a messenger of God. His focus was to be on the south because that area in his view was populated by heathens—only a small proportion, according to him, were Christians; to the rest he would give the benefit of God's word.

How much of this fundamentalism Nimeiri believed and how much was calculated cynicism, I do not know. It was suggested at the time that he did have some kind of mystical conversion. It also could have been that he was on some medication that may have accounted for his state of mind; he had had back aches and other ailments; he had not been able to sire any children and he did take medication to “make him fertile.” He was the supreme and unchallenged leader of the country; he may well have come to believe sincerely that he had been chosen by God to invoke the Sharia and not to do so would have been a great sacrilege. I think nevertheless in my last days in Khartoum, Nimeiri was

becoming irrational, to put it mildly. Whether it was the medication, his over-weaning sense of omniscience, his born-again Islamic fervor, his isolation or whether it was the influence of a newly palace installed Sufi Mullah— a mystic who had a peculiar view of Islamic ways, —I don't know. In addition, his former Attorney General Hassan Turabi, who was the most sophisticated politician in the Sudan, extraordinarily ambitious, a firm believer in Islam and the head of the Muslim Brotherhood, who had broken with Nimeiri earlier, had returned to favor and had become the President's political advisor. I was in contact with him from time to time. It is very difficult to exaggerate how isolated Nimeiri had become. One of his principal conduits with the outside world was a Mr. “Fix It” named Dr. Baha Idris. He was a Ph.D. in one of the physical sciences. He became the controller of the “gate” and in order to see Nimeiri, you had to go through Baha. He was very efficiently able to orchestrate the whole palace. He controlled Nimeiri's schedule and was particularly helpful to us in scheduling visits by Congressmen. Senators, Bud McFarlane, the NSC Advisor, Frank Carlucci, the Deputy Secretary of Defense and others. We had a considerable number of American visitors. Baha was also very helpful in facilitating the dialogue with the Sudanese on the prepositioning of military stocks, which was a very sensitive issue that we kept under wraps as much as possible. He instructed the Sudanese negotiating delegation on Nimeiri's views. As the gate-keeper, he became a very powerful man. Unfortunately, he was essentially a “yes” man, although he could play Nimeiri as an expert violinist can his instrument. It was alleged that he was Mr. 5% or 10%. My predecessor, Don Bergus, told that me that he had a reputation for skimming off some amount from every major investment that was made in the Sudan.

I should make a point about corruption and related matters in the Sudan. Judged against the practices in other Third World countries, I believe it was rather modest. There was not a great deal of open corruption. The Civil Service, following British traditions, tended to be reasonably efficient and honest, although we knew that there were some games being played on the side all the time. As I mentioned before, the principal graft-recipient was Baha. We could of course never have complete proof, but for example there was a

major South Korean investment in which he was obviously involved. There were nefarious activities which gave off strong Baha odors. But Baha was a very important figure and, I must admit, made my life much easier.

I think I have earlier suggested that Nimeiri changed while I was in Khartoum. He became disdainful of the people around him. He came to believe that they didn't have the clarity of mind or the insights that he had; he became more and more convinced that he had become an instrument of God. He had a sense of omniscience and felt that no one else could make the proper decisions. He would not accept any negative views, which was not much of a problem in any case because, by the time Nimeiri had reached this mental state, anyone who in the past might have dared to speak up had been thrown out. Abdul Magid, whom I have mentioned before and who had been the first Vice-President, had at one point, when the military were fed up with Nimeiri's policies, became the steward of a group of senior officers which was discussing whether or not Nimeiri should be relieved of office. It was Magid who persuaded them to continue to support Nimeiri; it was a turning point. In retrospect, Abdul Magid may have made a mistake. It might have been better to let the majority of the generals have their way. It was obvious by that time that Nimeiri was entering his mystical, irrational and nonsensical behavior phase.

Q: Were there any other actual or potential military plots of which you were aware?

KONTOS: There were a number of rumors about cabals or plots, but the one I mentioned earlier was the one that came closest to execution; it probably would have been successful. Our intelligence on the military was pretty good; we had a good Military Attach#, we had a small Military Assistance mission. In fact, we knew well what was going on; I think we were the best informed foreign mission in town, and that included the Egyptians, who always viewed the Sudan as a sort of a protectorate. We knew what was happening and had good intelligence on the military.

So it was a pity that Magid didn't throw the rascal out at the time. The growing mysticism, the isolation, the perceived special relationship to God, all made him more and more desperate in an effort to re-galvanize the support of the Sudan's elite and the military, which he understood he was losing.

I used to see him at least once a week, frequently alone or with Dr. Baha as a note taker. Occasionally, I would take the DCM. Nimeiri used me as a confidante, up to a point. I had established a very comfortable relationship with him. We were major assistance donors and Nimeiri had established close relationships with some Washington people. He had met with President Reagan and Vice-President Bush many times and with the Secretary of Defense and frequently with Bill Casey. He was comfortable with them and with me. I would take it on myself to raise issues that may not have been central to U.S. concerns, but were key to the stability of the country. For example, I strongly opposed the division of the South into three provinces, which was so obviously a mistake. I also talked to him about the treatment that southerners were receiving. I wanted to help him with the problems of decentralization, which he felt important; so we discussed that as well. We of course talked about U.S.-Sudan issues such as the prepositioning of military equipment, events in the Chad, in the OAU and in the U..N. which were of interest to the U.S. Interestingly enough, I rarely saw him socially. On one occasion, he came to our Fourth of July party; that was unprecedented. Once we were invited to his residence, but most of my contacts were during working hours.

I had not been given any particular briefing on human rights issues when I became Ambassador, but it was quite clear that the issue was high on President Carter's agenda just by the fact that a separate Bureau had been established which produced periodic cable reminders of the importance of human rights in U.S. foreign policy. I did discuss the human rights issue with Nimeiri on a number of occasions. He understood our position, but in those days he had not violated our standards in any major way. It was later, after

the invocation of the Sharia, that the violations really started and brought the issue to the forefront of U.S.-Sudan relations.

Q: You became an Ambassador after having spent most of your career in the aid program. Did that create any problems?

KONTOS: No, it didn't. In fact, in retrospect, I think that all of my prior experiences were ideal preparations for my ambassadorial assignment. I was in a country with a large aid program; I was in a country with sizeable developmental problems; I had managerial and administrative experience. The Sudan Mission was sizeable with all the AID and military assistance personnel and a number of contractors. I never felt that my FSO staff resented my appointment or that it thought I would be unable to perform effectively; that was never an issue.

Q: You were in the Sudan when we flew AWACs over Libya. Did that resonate in Khartoum at all?

KONTOS: That was just a passing incident which went largely unnoticed, although it was mounted primarily for Nimeiri's benefit to show Qadhafi that he had powerful friends. But we did have a problem when Libyan planes attacked Omdurman. They dropped a couple of bombs in an effort to hit the radio transmitter. That stimulated the Sudanese to mount a counter-attack which never amounted to much. As I mentioned earlier, Qadhafi and Nimeiri hated each other and that is what probably provoked this minor skirmish.

We were also very active in supporting Chadian troops that were opposing Libyan incursions. We used Sudanese troops to help the Chadians because the border between Darfur—the most western Sudanese province—and Chad was not well defined and border crossings were frequent.

Being an ambassador is one of the most rewarding positions in the U.S. government. I felt very comfortable in the job. I was able to deal with a broad range of activities which cut

across agency lines. I enjoyed the challenge and it was in many ways the highlight of my career.

Q: Then in September, 1983, you returned to Washington to join the Policy Planning Council, the successor organization to the Policy Planning Staff. What was your role?

KONTOS: The staff was under the direction of Steve Bosworth. I had two roles: a) I was the Africa (South of the Sahara) man for the Council and b) I looked after U.N. issues. Recently I came across a check list of issues that I addressed during my first six months on the Council, to April 1984.

I worked closely with the African Bureau, INR, IO and NEA. I wrote, co-authored or revised several papers dealing with:

1) The Sudan= During those six months, the political, economic and security situations had deteriorated badly. I prepared a number of papers for the Secretary and Larry Eagleburger, then Under Secretary for Political Affairs, describing the growing insurgency and the genesis of the political crisis facing the country. In addition, I was actively engaged in the preparation of papers for the official visit to Washington of President Nimeiri. During his stay, I spent an hour alone with the President, having a frank and useful exchange of views.

2) Southern Africa= This was an area of major concern. I prepared or collaborated on a number of papers that centered on the stalemate in the negotiations and a strategy for a breakthrough which we were close to achieving.

3) The Horn of Africa= I participated in a number of reviews conducted to up-date and reassess the policy set forth in NSDM 57 of September 22, 1982. This process culminated in a memo of March 5, 1984 from the NSC which approved a report that had emerged from the review process.

4) Nigeria= I wrote a commentary on a take-over of the government by the military and what the outlook might be for the future.

5) Zaire, Kenya, Djibouti= A paper was written on varying aspects of our bilateral relations with these states and emerging problems.

6) Refugees= I was asked by the Refugee Bureau for my views on a proposal to centralize all refugee operations in AID instead of the State Department.

7) United Nations= I represented S/P in a working group whose job it was to develop policy to guide the geographic bureaus' preparation of the Secretary's response to a new Congressional requirement that voting records of all members of the U.N. be reviewed and U.S. foreign policy be adjusted accordingly for each country. Despite short notice, the report was completed within the allotted time. I prepared a lengthy paper for Larry Eagleburger which proposed a serious re-look at our role and participation in the U.N. and its specialized agencies. This was at a time when hostile votes in the U.N. sessions were turning many in Congress and the general public towards an anti-UN posture. This was also the setting for our withdrawal from UNESCO, a move which I supported.

8) Speeches= I prepared a whole new draft of a speech for the Secretary on Africa, much of which was retained in the final version. I also contributed to the preparation of the remarks that were given by the Secretary to an audience of business executives who had an interest in South Africa.

9) African Economic Policy Initiative= With others in S/P, I participated in a series of meetings and paper writing that moved this idea from a general concept to inclusion in the President's Fiscal year 1985 budget.

10) I represented S/P outside the Department in conferences and meetings on African issues. I gave talks, participated in panels, workshops, etc.

11) Quality of Life on the West Bank and Gaza= I worked with Peter Rodman, who succeeded Bosworth as head of S/P and Bill Kirby of NEA in trying to achieve some measure of the mandate from the Secretary to develop ways whereby the U.S. government could contribute to improving the life of Palestinians on the West Bank and Gaza.

12) General Activities= I arranged with outside scholars and experts to come to S/P to discuss recent developments in Southern Africa, the Horn of Africa and the role of the Soviet Union in Africa. I met informally with African specialists in Washington at local universities, think-tanks and non-governmental voluntary organizations.

That was a summary of my work-load of a six months period, which I think is representative of what a staff such as S/P does.

Q: That is very interesting because it does give us a better idea of the role that a Secretary's staff performs. You had an opportunity to see Africa from an over-all perspective. What were your impressions of U.S. interests in Africa in general and how much attention did the Department's leadership devote to Africa?

KONTOS: The Seventh Floor did not see Africa as a major issue, although Chester Crocker, who was the Assistant Secretary for Africa, was considered to be one of the best, if not the best, of the Assistant Secretaries. Therefore his writ and presence and his general advocacy of certain policy positions carried considerable weight. We did have much concern with Southern Africa but Crocker spent, in my view, a disproportionate amount of time on Southern African issues. Those were the ones that involved the Secretary and the Under Secretary. There were wars going on in Ethiopia, there were occasional uprisings in Rwanda, and I think that there was probably a much more active interest in African affairs on the Seventh Floor then than there is now and perhaps earlier, even though it was not a high priority matter.

Crocker was very good. The Secretary had confidence in him. George Shultz was his great supporter and that allowed Crocker a considerable amount of flexibility, although he was always meticulous in briefing the Secretary and other principals on what he was trying to accomplish.

I mentioned that I thought too much time was devoted to Southern Africa. I think every ambassador wants his Assistant Secretary to visit his domain. In the course of my three years in the Sudan, I may have had one visit from Crocker—maybe two, but certainly not enough. We in the Horn of Africa felt that our problems—Chad, Libya, Ethiopia, Eritrea, etc—might have attracted a little more attention. But it wasn't a serious problem. Even while I was in S/P, I don't think Crocker spent enough time on other parts of Africa as he might have.

Q: Will our neglect of many African problems have some negative effects in the future?

KONTOS: I don't think so. In fact, there may have been a little too much U.S. activism in Africa in the past. The Africans have to sort out their own problems first and decide how they want to deal with them. There should be a period of neutral arms-length distancing by the U.S. which will permit this sorting out process to work. The Africans are going through a major intellectual reconsideration of their policies as they move away from their knee-jerk anti-colonial, anti-private enterprise, anti-open market economy policies which led them to disasters in the past. They need a breathing space to sort things out. They will move, I believe, to more democratic forms of government. The U.S. should stand by and be helpful if called upon, but it should not become active in this reassessment process which the Africans need to conduct by themselves. I am talking about the whole of Africa, not just that south of the Sahara.

Q: Do you have any problems with private American organizations becoming involved with African democratization?

KONTOS: No, not at all. To the extent that they can establish a legitimate role in African eyes, it is certainly a major asset. But the U.S. government should play a much more modest role and reduce its involvement in such activities as AID programs. That was my view as well when I was in S/P. I found that there was general agreement on that point of view among my colleagues. It was more a matter of degree. For example, in the case of the Sudan, as Nimeiri entered his Sharia phase, I was increasingly in favor of showing our concerns by diminishing our assistance levels and distancing ourselves from our close relationship with him.

I believe that the process of democratization in black Africa will continue. We have to be patient. In fact, there is very little that outside forces can do, other than being helpful in supplying advice and information when requested. To be engaged actively through large AID programs at a time of reevaluation of how they are going to deal with their internal problems seems to me to be misapplied policy.

Q: Let me return to the question of human rights which you have already discussed for the Sudan. Was there a problem of human rights abuses in Africa in general while you were in S/P?

KONTOS: As a nation, we have upheld the importance of people being treated in a civilized manner consistent with a set of principles that are part of our ethos and tradition and that define us as a country. I have always been very supportive of a strong human rights position in our foreign policy. We should never watch human rights being trampled on without taking a firm stand against it.

Before closing this chapter of my career, I might just mention that while I was in S/P, when Bosworth left and Peter Rodman took over, the Council returned to being the Policy Planning Staff. It was during the latter part of my tour in S/P that the Secretary set up an Advisory Committee on South Africa. That consisted of twelve members who were supposed to evaluate, assess and recommend an optimal U.S. policy towards South

Africa. The idea came from Secretary Shultz, Deputy Secretary John Whitehead and Chester Crocker. It may well initially have come from the Bureau for African Affairs.

South Africa was a hot issue, very volatile. There were marches in Washington, with picketing in front of the South African embassy and police arrests. Many editorials were being written. The administration was on the defensive as the concept of “constructive engagement” came into serious question. There were a lot of people, particularly African Americans, who felt that we were not sufficiently concerned about the problem of apartheid. The Advisory Committee was to consist of distinguished and influential Americans, representing various walks of life and sectors. The idea was that this group would spend a year thinking through the problems of South Africa and suggesting possible U.S. responses in support of the voices of freedom and democracy and the elimination of apartheid.

In part, the reason for the Committee was to diffuse a domestic political problem; in part it was to help shed some new light on ways and means of dealing with an intractable problem. There was the hope that the educational process that was required to bring the twelve Committee members up to speed might shed some new light and that the attendant publicity might be helpful in the education of that sector of the public that was interested in the issue.

Q: Did Chet Crocker believe that his policy of “constructive engagement” had hit a dead end?

KONTOS: He felt very much on the defensive. The whole concept had been over-simplified by his opponents. He was looked upon, unfairly I think, as one who was trying to work out an apology for the way the South African government was dealing with the issue and as one who was not as tough on that government as some would have wished him to be in pushing for greater freedoms for the majority black population. It was an unfair accusation, but nevertheless it was current. More and more people felt that Crocker had

leaned over backwards to permit the minority white government to wiggle its way out of its dilemma. I didn't agree with those perceptions. I felt that on the whole there may have been a major role for the U.S. government to play, but that apartheid was essentially a South African domestic problem that had to be solved. We could be helpful and we should oppose, as we did, an apartheid system, but we could not resolve the issue. All of this was swirling about when the decision was reached to establish the Advisory Committee.

When I first came to S/P, there were the beginnings of discussions about an embargo, with a major reduction of exports to South Africa and the denial of imports from there. That was very much on the agenda. I was personally very much opposed to the idea of embargoes and of punitive measures because I felt it would harm the very people we were trying to help, namely the black working class, who would be deprived of jobs. We would also drive out the American investment community, which was in the forefront of the movement to bring blacks into supervisory positions, to help improve education and housing and training for them. The Sullivan principles, which were adopted by most American corporations in South Africa, were a major influence on how the whole South African corporate world began to treat its black employees. Every American corporation in South Africa was putting black employees in more increasingly responsible positions; they helped with housing, litigations; they pushed for greater freedoms for their black employees. All of that effort would have been terminated once an embargo was put in effect.

Q: While you were in S/P, was there any consideration given to placing the issue on the U.N. agenda?

KONTOS: South Africa had already been expelled from the U.N. That essentially eliminated any U.N. efforts to try to alleviate the problem. But outside the U.N., we discussed the embargo issue with the British, the French, the Germans, the Dutch, the Italians. There was a western European working group with which we were in constant touch as well as the Canadians. We were able to reach a certain level of coordination on such actions as demarches. As we moved, because of Congressional pressure, toward

a more coercive and tougher policy, a number of European countries followed us. The Scandinavians were way ahead of us. They had long ago agreed not to deal with the South African government and had in fact agreed to support the ANC. There were ANC representatives in Stockholm. Both the Council of Churches and the Scandinavians supported the ANC financially.

Q: Let me now move to the Advisory Committee period. You were its Executive Director during the 1986-87 period. The very concept of a commission on a substantive issue was if not unparalleled, at least, very novel for the State Department.

KONTOS: Indeed it was. In effect, the Department was saying that it would welcome new ideas and new approaches to this highly volatile and sensitive issue which was of particular concern to the 15% of black American citizens.

The Committee consisted of twelve members. It had two co-chairman: Frank Carey, the recent CEO of IBM and William Coleman, former Secretary of Transport and a distinguished black lawyer. Coleman lived in Washington and Carey in New York. The other members were Dr. Timothy Healy, the President of Georgetown University; Owen Bieber, the head of the UAW, Vernon Jordan, the well-known civil rights leader and former Executive Director of the Urban League; the Reverend Leon Sullivan, a Philadelphia pastor; Helene Kaplan, a distinguished lawyer and chairman of the board of the Carnegie Corporation; John Dellenback, a former Congressman from Oregon; Larry Eagleburger, then with Kissinger Associates; Franklin Thomas, another African American and head of the Ford Foundation; Roger Smith, the CEO of General Motors; and Griffin Bell, the former Attorney General under President Carter. I should note that both IBM and GM had investments in South Africa and by coincidence, both corporations withdrew from South Africa while the Committee was in existence—these actions were already in train when the Committee was formed.

Once the idea of the Committee had been approved, I moved from S/P and became the full time Executive Director. The Panel had already been chosen when I became Executive Director. The membership was chosen by the Secretary and Deputy Secretary John Whitehead with some suggestions from Crocker. As time passed, however, it was Whitehead I dealt with; I really viewed him as my boss. The Committee became his baby. As far as I know, the Secretary and he had no problems in getting acceptances from those asked to serve. The major problem was to get balance on the Committee; it had to have representation from various segments of the American society: business, labor, the black community, academia, women.

Only a few of the members had knowledge or prior interest in South Africa. Only Franklin Thomas, when he was working with the Rockefeller Foundation, had participated in an in-depth study of South Africa. So he knew a considerable amount. Leon Sullivan, as the author of the Sullivan principles, was knowledgeable. Eagleburger had some background having been an Under Secretary of State; Smith and Carey had been in South Africa while visiting their operations. The rest of the Committee had no first hand knowledge.

As I said, we had a year to submit a report. We had to organize sessions to bring in experts to testify, we had to have papers written, we had to develop agendas for the Committee's private meetings. At first we met once every two months, then monthly. We had a pretty good attendance record from the membership. We met on the Seventh Floor. I hired a staff, which eventually reached twelve; we were located on K Street—getting space in the Department was impossible. The staff was good; Kent McCormick was my deputy. The staff was primarily State Department, but we had two outside experts on it as well. One was Helen Kitchen from the Center for Security and International Studies (CSIS) and Michael Clough, a young African specialist that she had recommended. Ann Miller, my Executive Secretary, came from New York.

We began with briefings, starting with detailed analyses of the factors that had brought about the current political and economic crisis. We did that primarily with briefing papers.

Then we had hearings. We had two sessions which were public; anyone who wished to testify was welcomed. We had a large number of non-governmental organizations and others who presented testimony. Then we had closed hearings during which invited witnesses addressed and exchanged views with the Committee. We had U.S. government officials, European experts, academics, etc.; people who knew South Africa. Of course, we held Committee meetings which were opened to members and staff only during which all day discussions were held. I was very much involved in developing the agenda for the meetings. Typically, we would meet in the morning and for another couple of hours after lunch. The morning session would be devoted to the testimony of various experts; lunch would be a working lunch during which and for a couple of hours afterwards, we would discuss the morning's testimony. That process helped the Committee to begin to focus on certain conclusions. The exchanges were very intense. We kept verbatim accounts of all the meetings. The Committee had access to classified information as well as to the Secretary and the Deputy Secretary. Frequently, the Secretary or the Deputy Secretary attended parts of the meetings. It was a very productive process, in part because the group was willing to work very hard.

As time passed, obviously the Committee became more familiar with the subject matter and the issues. You could begin to see the members becoming advocates for the positions that their constituencies favored. There was a certain amount of “looking over one's shoulder” although I should hasten to add that there was a surprising amount of amity and concord among the members. We had some problem with the co-chairmen concept. I think in retrospect that was a mistake particularly since they were in separate cities and not always available for consultation. Coleman was in Washington and I did see him frequently. Carey in New York was a little harder to get a hold of. The two personalities were completely different. Coleman was much more reflective, thoughtful, more measured; Carey had been a CEO who had become accustomed to issuing orders which would be followed without question. He was somewhat abrupt and curt in his handling of the group. I tried to manage it so that each co-chairman would preside at alternative sessions. But

Carey would often interject his views to Coleman's annoyance. I found Coleman to be a very savvy fellow for whom I came to have a very high regard.

Q: Let me ask you to reflect on the process itself. Is it a good process for the determination of U.S. foreign policy?

KONTOS: It is a useful device, particularly when you have a situation in which ill-founded concerns dominate a major domestic political issue. A committee is a very useful device with which to educate a wider audience—certainly so far twelve highly influential people and the population at large who may have had access to the testimony and dialogue of the public sessions as well as the final report. But I must admit that this spread of knowledge and the final report may have had a marginal impact on policy development. Had the report been issued earlier, it might have had greater influence. But a few weeks before the report was issued, Congress passed legislation which pretty much anticipated what might have been the Committee's conclusions. So that Congress in fact preempted the Committee, particularly by imposing an embargo on South Africa. The Congressional process just proceeded at its own pace without reference to the existence and the deliberations of the Committee. So we were faced with a resounding Congressional mandate that forced a major exodus of American firms from South Africa. We had asked members of Congress to testify before our Committee, but our chairmen or representatives were not asked to testify at Congressional hearings.

Q: Do you think it would have made any difference if some members of Congress had been members of the Committee?

KONTOS: That was considered, but I can't tell you why it came out the way it did. As I said, I was not privy to the selection process. But I am not sure that inclusion would have made any difference because by the time the Committee was established, Congressional views had already hardened on the issue of embargo. As it ultimately turned out, the Committee also agreed on the embargo, although there had been a serious view on the

part of a number of members who thought that any punitive measures against South Africa would be counter-productive, they would create unemployment, they would penalize blacks, they would create greater levels of poverty and they would create a greater sense of defensiveness in the government—it would circle its wagons and strike out against the outside world. But as time passed, and in light of the Congressional action, the mood of the Committee changed so that in the end it came out for approval of the embargo, but with some caveats, such as it should also be adopted by all countries particularly Japan. That proviso was added so that American industry would not be disadvantaged by our own embargo. It was an effort to support greater coordination among the industrialized nations.

The majority of the Committee agreed to the report. Three members, however, formed a minority; they objected to the recommendations for an embargo. One was Eagleburger, one was John Dellenback and the third was Roger Smith. They thought an embargo was wrong; they felt that the end of apartheid could be hastened, but that a growing black middle class would be harmed and that American investment should not cease, but rather become a model for other investors. They didn't want Afrikaners rewarded because the embargo would force fire sales of assets of those firms departing. In fact the embargo turned out to be a bonanza for a number of South African business men.

Q: How did the Committee react to the Congressional action?

KONTOS: It felt that in a way its thunder had been stolen. It was prepared to address the issue of the embargo. The Congressional action took a lot of impact away from the report. I think because it was in fact preempted, the report had a relative small response. The press coverage was fairly meager. During the press conference at the outset of which the Secretary was to introduce the members of the Committee, Don Oberdorfer of the Washington Post asked about the Reagan proposal to have every senior government official take a lie detector test. Shultz said “Over my dead body” and ridiculed the whole idea. That was the next day's headline. The Committee got lost in that flurry of news. The

report itself got some coverage, but as I said, not as much as it would have had it not been for the preempting Congressional action.

Q: Do you believe that the report had an impact on the Bureau of African Affairs?

KONTOS: Not really because in part personalities came to the fore. For some reason, which I have yet to understand, Crocker antagonized the members of the Committee. They felt he was talking down to them, that he was being a bit condescending, supercilious; I am not sure what it was because I didn't notice any of that. Crocker, though somewhat austere in his presentations, is very articulate. Somehow he was resented. After two or three occasions, I suggested that Frank Wisner, Crocker's deputy, be sent to represent the Bureau. There were always questions about current policy and questions about the Department's reaction to testimony we had heard. So we frequently had to have someone from the Bureau in attendance and that was not usually Crocker. But Carey and Coleman did develop a dislike for Crocker and that created a reaction in the Bureau. When the report was issued, all the Bureau was interested in was to limit damage so there would not be a complete repudiation of “constructive engagement”—the report had said that it was no longer a viable policy. So there was a growing “we” vs “they” mentality and I found myself acting as intermediary in the last stages of the Committee's life.

The effect of such a report is very subtle. There are all kinds of examples in Great Britain of “Royal Commissions” and we have had reports from various Blue Ribbon groups on a variety of issues. The effectiveness depends on the particular chemistry existing at the time, the timing of the report and on its wisdom and cogency. In general, I believe such commissions are a good idea and it may be wise to establish them more frequently. They are time consuming and expensive; there are staff costs, travel costs—we went to South Africa twice, rentals of space and cost of witnesses. On our first trip to South Africa, we all went separately; we were to meet in Johannesburg. I was asked to accompany Frank Carey; he was accustomed to travel by company jet which of course we didn't have. On his way to South Africa, he wanted to see Mugabe, who can be difficult to deal with. It was

my job to arrange this meeting. David Miller was our Ambassador in Zimbabwe; I would call him almost daily. It was a Saturday morning just prior to or departure when I finally heard from Miller that “chances were that Mr. Mugabe would see Mr. Carey, but I can not guarantee it”. So I called Carey immediately; we were to leave that afternoon. I told him what Miller had told me. Carey said :”The hell with that. We are not going! Change the arrangements”. So I told Ann Miller that we had to change all the arrangements. She did and we boarded a Sabena flight out of New York. Fortunately, traffic out of New York was being held up because otherwise I would have missed the Sabena flight. We got on a plane in Brussels, heading for Zaire, and I noticed that the plane was practically empty. When I asked why, I was told that the Belgian government was very unhappy with Zaire because it was not paying its bills on time. Hence some Sabena flights had been canceled but the one which we were on was expected to go to Kinshasa and then on to Johannesburg. Carey is of course in first class; I am back in steerage. Two hours after departure, the captain announced that he had been denied landing or overflight rights in Zaire because the government was upset by the Belgian government's insistence that debts be repaid. So the captain said that he would be landing in the Canary Isles instead. Carey by now is beside himself. We went up to talk to the captain, who wired back to Brussels for instructions. Of course, that was Sunday and no one was at Sabena's headquarters. We landed in the Canary Islands at 3 a.m. Carey held me responsible for the whole mess. Of course, no one knew we were arriving; there were no custom people, no busses, nothing. Finally, we caught a couple of hours of sleep and took off again only to land in Zimbabwe—small world. Miller took us under his wings and explained to Carey that Mugabe would have seen him, but that the meeting was canceled when he decided not to come. So we finally landed in Johannesburg with this furious ex-CEO on my hands. It was a memorable trip.

I should mention that many such crises arose during the Committee's life, which lasted for eighteen months. I always found John Whitehead extremely helpful in those situation. We worked closely together and I enjoyed that relationship. Occasionally, one member

or another felt slighted because papers didn't reach him or her on time or something else went amiss. They were all prima donnas, but on the whole, we were able to handle them pretty well. I found the public sessions interesting; a lot of different people testified. Some had very reasoned and comprehensive positions; others were emotional and erratic. The most outrageous and extreme were, of all people, the Quakers—the American Friends Service Committee. They wanted the stiffest possible embargo of every activity with South Africa. Bill Coleman, an African American, kept asking whether that might not lead to increasing black unemployment and misery. The Quakers were very firm; they said that would be a cost that must be borne by them. They were prepared to jettison a whole population to satisfy their particular set of biases. Coleman said to me, sotto voce, :"You know my wife and I have been strong supporters of the American Friends Service Committee, but after this testimony, I think we will withdraw that".

After the report was issued in the Spring of 1987, I returned to S/P until my retirement in August. I had a lot of clean up work to do on the Committee's work and follow-up on the implementation of the report. That was my main task for those remaining few months before my retirement.

Q: That has been a most interesting career and you gave us a lot of food for future historians. On behalf of the Association, I want to thank you for all the time you have devoted to this oral history.

End of interview